

# HOUSE BILL No. 1296

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-13-2-20; IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 6-6; IC 12-7-2; IC 12-13; IC 12-16; IC 12-19; IC 16-33-4-17.5; IC 16-35; IC 20-26-11; IC 20-33-2-29; IC 31-9-2-84.8; IC 31-25-2; IC 31-26; IC 31-31-8; IC 31-34; IC 31-37; IC 31-40.

**Synopsis:** State funding of child welfare services. Repeals, effective January 1, 2010, the individual county property tax levies for the county family and children's fund, the county children's psychiatric residential treatment services fund, the county medical assistance to wards fund, and the county children with special health care needs fund. Provides that after December 31, 2009, a county may not impose a property tax levy for these funds. Replaces these county property tax levies with a single property tax levy imposed by the state, with a uniform statewide tax rate. Requires the state to pay child welfare services. Effective January 1, 2010, repeals the property tax levy for the county hospital care for the indigent fund. Provides that after December 31, 2009, a county may not impose a property tax levy for this fund. Replaces the county property tax levies for hospital care for the indigent with a single property tax levy imposed by the state, with a uniform statewide tax rate. Adjusts the distribution of excise tax revenue. Adjusts the distribution formula of county option income taxes to include, for purposes of determining a county's share of the taxes, the average annual amount of property taxes imposed by the county for these property tax levies during 2007 through 2009. Provides for a state-paid property tax replacement credit against a percentage of state welfare property tax and the state hospital care for the indigent tax. Establishes a state child welfare services fund. Appropriates money in the fund to pay expenses of the state and county offices of family and children in providing child services. Makes related changes.

**Effective:** July 1, 2008; January 1, 2009; January 1, 2010.

**Stevenson**

January 15, 2008, read first time and referred to Committee on Ways and Means.



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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## HOUSE BILL No. 1296

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-13-2-20, AS AMENDED BY P.L.234-2007,  
2 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2009] Sec. 20. (a) Except as otherwise provided in this  
4 section, IC 12-17-19-19, or IC 12-8-10-7, payment for any services,  
5 supplies, materials, or equipment shall not be paid from any fund or  
6 state money in advance of receipt of such services, supplies, materials,  
7 or equipment by the state.  
8 (b) With the prior approval of the budget agency, payment may be  
9 made in advance for any of the following:  
10 (1) War surplus property.  
11 (2) Property purchased or leased from the United States  
12 government or its agencies.  
13 (3) Dues and subscriptions.  
14 (4) License fees.  
15 (5) Insurance premiums.  
16 (6) Utility connection charges.  
17 (7) Federal grant programs where advance funding is not



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prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the Indiana economic development corporation and that are located outside Indiana.

(13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.

(14) Maintenance of equipment and maintenance of software if there are appropriate contractual safeguards for refunds as determined by the budget agency.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

**(16) The payment by the state of expenses for child services (as defined in IC 12-19-8-2).**

(c) Any agency and any state educational institution may make advance payments to its employees for duly accountable expenses exceeding ten dollars (\$10) incurred through travel approved by:

(1) the employee's respective agency director, in the case of an agency; and

(2) a duly authorized person, in the case of any state educational institution.

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

(1) appoint a special disbursing officer for any agency or group of agencies whenever it is necessary or expedient that a special record be kept of a particular class of disbursements or when disbursements are made from a special fund; and

(2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating

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1 expenses of any agency or for contractual services or equipment not  
 2 purchased or contracted for in accordance with this chapter and  
 3 IC 5-22. No special disbursing officer shall be appointed and no money  
 4 shall be advanced until procedures covering the operations of special  
 5 disbursing officers have been adopted by the Indiana department of  
 6 administration and approved by the budget agency. These procedures  
 7 must include the following provisions:

8 (1) Provisions establishing the authorized levels of special  
 9 disbursing officer accounts and establishing the maximum  
 10 amount which may be expended on a single purchase from special  
 11 disbursing officer funds without prior approval.

12 (2) Provisions requiring that each time a special disbursing officer  
 13 makes an accounting to the auditor of state of the expenditure of  
 14 the advanced funds, the auditor of state shall request that the  
 15 Indiana department of administration review the accounting for  
 16 compliance with IC 5-22.

17 (3) A provision that, unless otherwise approved by the  
 18 commissioner of the Indiana department of administration, the  
 19 special disbursing officer must be the same individual as the  
 20 procurements agent under IC 4-13-1.3-5.

21 (4) A provision that each disbursing officer be trained by the  
 22 Indiana department of administration in the proper handling of  
 23 money advanced to the officer under this section.

24 (f) The commissioner of the Indiana department of administration  
 25 shall cite in a letter to the special disbursing officer the exact purpose  
 26 or purposes for which the money advanced may be expended.

27 (g) A special disbursing officer may issue a check to a person  
 28 without requiring a certification under IC 5-11-10-1 if the officer:

29 (1) is authorized to make the disbursement; and

30 (2) complies with procedures adopted by the state board of  
 31 accounts to govern the issuance of checks under this subsection.

32 (h) A special disbursing officer is not personally liable for a check  
 33 issued under subsection (g) if:

34 (1) the officer complies with the procedures described in  
 35 subsection (g); and

36 (2) funds are appropriated and available to pay the warrant.

37 (i) For contracts entered into between the department of workforce  
 38 development or the Indiana commission for career and technical  
 39 education and:

40 (1) a school corporation (as defined in IC 20-18-2-16); or

41 (2) a state educational institution;

42 the contracting parties are not required to post security to cover the

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amount advanced.

SECTION 2. IC 6-1.1-17-3, AS AMENDED BY P.L.219-2007, SECTION 49, AND AS AMENDED BY P.L.224-2007, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2009, before August 10 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

- (1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under ~~IC 6-1.1-15-1(b)~~; IC 6-1.1-15-1(c);
- (2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:
  - (A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);
  - (B) any deductions or exemptions that apply to the assessed

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- valuation of the tangible property;
- (C) any credits that apply in the determination of the tax liability; and
- (D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:
- (i) the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)*; or
- (ii) the department of local government finance;
- (3) a prominently displayed notation that:
- (A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and
- (B) based on various factors, including potential actions by:
- (i) the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)*; or
- (ii) the department of local government finance;
- it is possible that the tax liability as finally determined will differ substantially from the estimate;
- (4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and
- (5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).
- (c) The department of local government finance shall:
- (1) prescribe a form for; and
- (2) provide assistance to county auditors in preparing;
- statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).
- (d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):
- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.
- (e) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the

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township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) **This subsection applies only to property taxes first due and payable before January 1, 2010.** A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 3. IC 6-1.1-17-14, AS AMENDED BY P.L.224-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body, the county board of tax adjustment (before January 1, 2009), or the county board of tax and capital projects review (after December 31, 2008) reduces:

(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance;

(2) a family and children's fund tax rate (**for property taxes first due and payable before January 1, 2010**) below the rate necessary to collect the levy recommended by the department of child services; or

(3) a children's psychiatric residential treatment services fund tax rate (**for property taxes first due and payable before January 1, 2010**) below the rate necessary to collect the levy recommended by the department of child services.

SECTION 4. IC 6-1.1-18-2, AS AMENDED BY P.L.224-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) **Except as provided in subsection (b),** the state may not impose a tax rate on tangible property in excess of thirty-three hundredths of one cent (\$0.0033) on each one hundred

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dollars (\$100) of assessed valuation.

**(b) The rate limitation in subsection (a) does not apply to the following:**

**(1) The state welfare property tax rate imposed under IC 12-19-8 for property taxes first due and payable after December 31, 2009.**

**(2) The state hospital care for the indigent property tax rate imposed under IC 12-16-14-11 for property taxes first due and payable after December 31, 2009.**

**(c)** The state tax rate is not subject to review by county boards of tax adjustment (before January 1, 2009), county boards of tax and capital projects review (after December 31, 2008), or county auditors.

**(d)** This section does not apply to political subdivisions of the state.

SECTION 5. IC 6-1.1-18-3, AS AMENDED BY P.L.224-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

**(b)** The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or

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1 county government.

2 (4) To pay the principal or interest upon an obligation issued in  
3 the manner provided in IC 6-1.1-20-3 (before its repeal) or  
4 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

5 (5) To pay a judgment rendered against the political subdivision.

6 (6) To meet the requirements of the family and children's fund for  
7 child services (as defined in IC 12-19-7-1), **in the case of**

8 **property taxes first due and payable before January 1, 2010.**

9 (7) To meet the requirements of the county hospital care for the  
10 indigent fund, **in the case of property taxes first due and**  
11 **payable before January 1, 2010.**

12 (8) To meet the requirements of the children's psychiatric  
13 residential treatment services fund for children's psychiatric  
14 residential treatment services (as defined in IC 12-19-7.5-1), **in**  
15 **the case of property taxes first due and payable before**  
16 **January 1, 2010.**

17 (c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5,  
18 IC 20-45, or IC 20-46, a county board of tax adjustment (before  
19 January 1, 2009), a county board of tax and capital projects review  
20 (after December 31, 2008), a county auditor, or the department of local  
21 government finance may review the portion of a tax rate described in  
22 subsection (b) only to determine if it exceeds the portion actually  
23 needed to provide for one (1) of the purposes itemized in that  
24 subsection.

25 SECTION 6. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.7. (a) The ad valorem  
27 property tax levy limits imposed by section 3 of this chapter do not  
28 apply to ad valorem property taxes imposed under any of the following:

29 (1) IC 12-16, except IC 12-16-1, **in the case of property taxes**  
30 **first due and payable before January 1, 2010.**

31 (2) IC 12-19-5, **in the case of property taxes first due and**  
32 **payable before January 1, 2010.**

33 (3) IC 12-19-7, **in the case of property taxes first due and**  
34 **payable before January 1, 2010.**

35 (4) IC 12-19-7.5, **in the case of property taxes first due and**  
36 **payable before January 1, 2010.**

37 (5) IC 12-20-24.

38 (b) For purposes of computing the ad valorem property tax levy  
39 limits imposed under section 3 of this chapter, a county's or township's  
40 ad valorem property tax levy for a particular calendar year does not  
41 include that part of the levy imposed under the citations listed in  
42 subsection (a).

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(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 7. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) (before its

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repeal); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 **(in the case of property taxes first due and payable before January 1, 2010)**, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (before its repeal) or IC 20-46-6 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (before its repeal) or IC 20-46-3 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

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(iv) IC 36-10-13-7 for an art association fund; plus  
 (v) IC 21-2-17 (before its repeal) or IC 20-46-2 for a special education preschool fund; plus  
 (vi) IC 21-2-11.6 (before its repeal) or IC 20-46-1 for a referendum tax levy fund; plus  
 (vii) an appeal filed under IC 6-1.1-19-5.1 (before its repeal) or IC 20-45-6-8 for an increase in a school corporation's maximum permissible tuition support levy for certain transfer tuition costs; plus  
 (viii) an appeal filed under IC 6-1.1-19-5.4 (before its repeal) or IC 20-46-4-10 for an increase in a school corporation's maximum permissible transportation fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19-4.5 (before its repeal), including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 (before its repeal), IC 20-45-3, or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (as effective January 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1, 1990), whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (as effective before January 1, 1989), filed after December 31, 1982; or  
 (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is

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1 included in the amount determined under IC 12-19-7-4(a)  
 2 STEP SEVEN (as effective January 1, 1995) for property  
 3 taxes payable in 1995, or for property taxes payable in each  
 4 year after 1995 the amount determined under  
 5 IC 12-19-7-4(b) (as effective before March 16, 2004), ~~and~~  
 6 IC 12-19-7-4 (as effective after March 15, 2004, **and before**  
 7 **January 1, 2010), or IC 12-19-8-20(b) (for property tax**  
 8 **levies imposed in the county to repay loans under**  
 9 **IC 12-19 that were made before January 1, 2010);** and  
 10 (ii) the amount of property taxes imposed in the county  
 11 attributable to appeals granted under IC 6-1.1-18.6-3 (before  
 12 its repeal) that is included in the amount determined under  
 13 IC 12-19-7-4(a) STEP SEVEN (as effective January 1,  
 14 1995) for property taxes payable in 1995, or the amount  
 15 determined under IC 12-19-7-4(b) (as effective before  
 16 March 16, 2004) and IC 12-19-7-4 (as effective after March  
 17 15, 2004) for property taxes payable in each year after 1995  
 18 **and before 2010; plus**

19 (2) all taxes to be paid in the county in respect to mobile home  
 20 assessments currently assessed for the year in which the taxes  
 21 stated in the abstract are to be paid; plus

22 (3) the amounts, if any, of county adjusted gross income taxes that  
 23 were applied by the taxing units in the county as property tax  
 24 replacement credits to reduce the individual levies of the taxing  
 25 units for the assessment year, as provided in IC 6-3.5-1.1; plus

26 (4) the amounts, if any, by which the maximum permissible ad  
 27 valorem property tax levies of the taxing units of the county were  
 28 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated  
 29 assessment year; plus

30 (5) the difference between:

31 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;  
 32 minus

33 (B) the amount the civil taxing units' levies were increased  
 34 because of the reduction in the civil taxing units' base year  
 35 certified shares under IC 6-1.1-18.5-3(e).

36 **The total county tax levy does not include property taxes levied**  
 37 **after December 31, 2009, under IC 12-16-14-11 or IC 12-19-8.**

38 (h) "December settlement sheet" means the certificate of settlement  
 39 filed by the county auditor with the auditor of state, as required under  
 40 IC 6-1.1-27-3.

41 (i) "Tax duplicate" means the roll of property taxes that each county  
 42 auditor is required to prepare each year under IC 6-1.1-22-3.

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1 (j) "Eligible property tax replacement amount" is, except as  
2 otherwise provided by law, equal to the sum of the following:

3 (1) Sixty percent (60%) of the total county tax levy imposed by  
4 each school corporation in a county for its general fund for a  
5 stated assessment year.

6 (2) Twenty percent (20%) of the total county tax levy (less sixty  
7 percent (60%) of the levy for the general fund of a school  
8 corporation that is part of the total county tax levy) imposed in a  
9 county on real property for a stated assessment year.

10 (3) Twenty percent (20%) of the total county tax levy (less sixty  
11 percent (60%) of the levy for the general fund of a school  
12 corporation that is part of the total county tax levy) imposed in a  
13 county on tangible personal property, excluding business personal  
14 property, for an assessment year.

15 (k) "Business personal property" means tangible personal property  
16 (other than real property) that is being:

17 (1) held for sale in the ordinary course of a trade or business; or  
18 (2) held, used, or consumed in connection with the production of  
19 income.

20 (l) "Taxpayer's property tax replacement credit amount" means,  
21 except as otherwise provided by law, the sum of the following:

22 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar  
23 year for taxes imposed by a school corporation for its general fund  
24 for a stated assessment year.

25 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated  
26 assessment year for a total county tax levy (less sixty percent  
27 (60%) of the levy for the general fund of a school corporation that  
28 is part of the total county tax levy) on real property.

29 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated  
30 assessment year for a total county tax levy (less sixty percent  
31 (60%) of the levy for the general fund of a school corporation that  
32 is part of the total county tax levy) on tangible personal property  
33 other than business personal property.

34 (m) "Tax liability" means tax liability as described in section 5 of  
35 this chapter.

36 (n) "General school operating levy" means the ad valorem property  
37 tax levy of a school corporation in a county for the school corporation's  
38 general fund.

39 (o) "Board" refers to the property tax replacement fund board  
40 established under section 10 of this chapter.

41 SECTION 8. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA  
42 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2008]: **Sec. 5.2. (a) For property taxes first due and payable after December 31, 2009, taxpayers are entitled to an additional property tax replacement credit as provided in this section.**

**(b) Each year the taxpayers of each county shall receive a credit against the property tax liability attributable to the state welfare property tax rate. The amount of the credit is equal to the sum of:**

**(1) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for the state welfare property tax imposed on real property; plus**

**(2) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for the state welfare property tax imposed on tangible personal property other than business personal property.**

**(c) Each year the taxpayers of each county shall receive a credit against the property tax liability attributable to the state hospital care for the indigent tax rate. The amount of the credit is equal to the sum of:**

**(1) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for the state hospital care for the indigent tax imposed on real property; plus**

**(2) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for the state hospital care for the indigent tax imposed on tangible personal property other than business personal property.**

**(d) Each county auditor shall determine the amount of the credit under this section for taxpayer's in the auditor's county and shall apply the credit to the amount of the taxpayer's property tax liability on the taxpayer's property tax statement. Each county auditor shall certify to the department of local government finance the total amount of credits against the state welfare property tax and the total statewide amount of credits provided against the state hospital care for the indigent tax under this section in the auditor's county. The department of local government finance shall certify to the department of state revenue and the property tax replacement fund board the total statewide amount of property tax credits provided against the state welfare property tax and the total statewide amount of property tax credits provided against the state hospital care for the indigent tax.**

**(e) Each year the department of state revenue shall allocate from the property tax replacement fund an amount equal to the sum of the total credits provided under this section in all counties.**

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1     **The amount allocated as credits against the state welfare property**  
 2     **tax shall be transferred from the property tax replacement fund to**  
 3     **the state child welfare services fund. The amount allocated as**  
 4     **credits against the state hospital care for the indigent tax shall be**  
 5     **transferred from the property tax replacement fund to the state**  
 6     **hospital care for the indigent fund.**

7     SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.224-2007,  
 8     SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9     JULY 1, 2008]: Sec. 9. (a) This subsection expires December 31, 2008.  
 10    A county council may adopt an ordinance to abolish the county board  
 11    of tax adjustment. This ordinance must be adopted by July 1 and may  
 12    not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17,  
 13    IC 6-1.1-18, IC 20-45, IC 20-46, IC 12-19-7 **(before its repeal on**  
 14    **January 1, 2010)**, IC 12-19-7.5 **(before its repeal on January 1,**  
 15    **2010)**, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3,  
 16    IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section  
 17    governs the treatment of tax rates, tax levies, and budgets that would  
 18    otherwise be reviewed by a county board of tax adjustment under  
 19    IC 6-1.1-17.

20    (b) This subsection applies after December 31, 2008. Subject to  
 21    subsection (e), a county board of tax and capital projects review may  
 22    not review or modify tax rates, tax levies, and budgets if the county  
 23    council:

- 24       (1) adopts an ordinance to abolish the county board of tax  
 25       adjustment before January 1, 2009; or  
 26       (2) adopts an ordinance before July 2 of any year to prohibit the  
 27       county board of tax and capital projects review from carrying out  
 28       such reviews.

29    An ordinance described in this subsection may not be rescinded in the  
 30    year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18,  
 31    IC 8-18-21-13, IC 12-19-7 **(before its repeal on January 1, 2010)**,  
 32    IC 12-19-7.5 **(before its repeal on January 1, 2010)**, IC 14-30-2-19,  
 33    IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9,  
 34    IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4,  
 35    and IC 36-9-13, if such an ordinance is adopted and has not been  
 36    rescinded, this section governs the treatment of tax rates, tax levies, and  
 37    budgets that would otherwise be reviewed by a county board of tax and  
 38    capital projects review. If an ordinance described in subdivision (1) or  
 39    (2) has been adopted in a county and has not been rescinded, the county  
 40    board of tax and capital projects review may not review tax rates, tax  
 41    levies, and budgets (other than for capital projects) under  
 42    IC 6-1.1-17-3, IC 6-1.1-17-5, IC 6-1.1-17-5.6, IC 6-1.1-17-6,

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1 IC 6-1.1-17-7, IC 6-1.1-17-9, IC 6-1.1-17-10, IC 6-1.1-17-11,  
 2 IC 6-1.1-17-12, IC 6-1.1-17-14, IC 6-1.1-17-15, IC 6-1.1-29-4(a),  
 3 IC 8-18-21-13, IC 12-19-7 **(before its repeal on January 1, 2010)**,  
 4 IC 12-19-7.5 **(before its repeal on January 1, 2010)**, IC 14-30-2-19,  
 5 IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9,  
 6 IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, or  
 7 IC 36-9-13.

8 (c) The time requirements set forth in IC 6-1.1-17 govern all filings  
 9 and notices.

10 (d) If an ordinance described in subsection (a) or (b) is adopted and  
 11 has not been rescinded, a tax rate, tax levy, or budget that otherwise  
 12 would be reviewed by the county board of tax adjustment (before  
 13 January 1, 2009) or the county board of tax and capital projects review  
 14 (after December 31, 2008) is considered and must be treated for all  
 15 purposes as if the county board of tax adjustment approved the tax rate,  
 16 tax levy, or budget. This includes the notice of tax rates that is required  
 17 under IC 6-1.1-17-12.

18 (e) This section does not prohibit a county board of tax and capital  
 19 projects review from reviewing tax rates, tax levies, and budgets for  
 20 informational purposes as necessary to carry out its duties under  
 21 IC 6-1.1-29.5.

22 SECTION 10. IC 6-3.5-1.1-1.1, AS ADDED BY P.L.207-2005,  
 23 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2008]: Sec. 1.1. (a) For purposes of allocating the certified  
 25 distribution made to a county under this chapter among the civil taxing  
 26 units and school corporations in the county, the allocation amount for  
 27 a civil taxing unit or school corporation is the amount determined using  
 28 the following formula:

29 STEP ONE: Determine the sum of the total property taxes being  
 30 collected by the civil taxing unit or school corporation during the  
 31 calendar year of the distribution **plus, in the case of a county for**  
 32 **calendar years after 2009, the average annual amount of**  
 33 **property taxes imposed by the county under IC 12-13-8,**  
 34 **IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and**  
 35 **IC 16-35-3 during 2007 through 2009.**

36 STEP TWO: Determine the sum of the following:

37 (A) Amounts appropriated from property taxes to pay the  
 38 principal of or interest on any debenture or other debt  
 39 obligation issued after June 30, 2005, other than an obligation  
 40 described in subsection (b).

41 (B) Amounts appropriated from property taxes to make  
 42 payments on any lease entered into after June 30, 2005, other

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than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the debt obligation was issued; and

(2) the proceeds **were** appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had

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not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 11. IC 6-3.5-1.1-24, AS ADDED BY P.L.224-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) (**before its repeal on January 1, 2010**), IC 12-19-7.5-6(b) (**before its repeal on January 1, 2010**), and

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IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section:

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal on January 1, 2010)**, IC 12-19-7.5-6(b) **(before its repeal on January 1, 2010)**, and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distribution to the county for deposit in the county family and children's fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

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- 1 (2) the tax revenue received by the county treasurer under this
- 2 section.
- 3 STEP FOUR: For distribution to the county for deposit in the
- 4 county children's psychiatric residential treatment services fund,
- 5 determine the result of:
- 6 (1) the quotient of:
- 7 (A) the amount determined under STEP THREE of
- 8 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 9 (B) the STEP ONE amount; multiplied by
- 10 (2) the tax revenue received by the county treasurer under this
- 11 section.
- 12 STEP FIVE: For distribution to the county for community mental
- 13 health center purposes, determine the result of:
- 14 (1) the quotient of:
- 15 (A) the amount determined under STEP FOUR of
- 16 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 17 (B) the STEP ONE amount; multiplied by
- 18 (2) the tax revenue received by the county treasurer under this
- 19 section.
- 20 Except as provided in subsection (m), the county treasurer shall
- 21 distribute the portion of the certified distribution that is attributable to
- 22 a tax rate under this section as specified in this section. The county
- 23 treasurer shall make the distributions under this subsection at the same
- 24 time that distributions are made to civil taxing units under section 15
- 25 of this chapter.
- 26 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
- 27 council may not decrease or rescind a tax rate imposed under this
- 28 chapter.
- 29 (i) The tax rate under this section shall not be considered for
- 30 purposes of computing:
- 31 (1) the maximum income tax rate that may be imposed in a county
- 32 under section 2 of this chapter or any other provision of this
- 33 chapter; or
- 34 (2) the maximum permissible property tax levy under STEP
- 35 EIGHT of IC 6-1.1-18.5-3(b).
- 36 (j) The tax levy under this section shall not be considered for
- 37 purposes of computing the total county tax levy under
- 38 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).
- 39 (k) A distribution under this section shall be treated as a part of the
- 40 receiving civil taxing unit's property tax levy for that year for purposes
- 41 of fixing the budget of the civil taxing unit and for determining the
- 42 distribution of taxes that are distributed on the basis of property tax

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1 levies.

2 (l) If a county council imposes a tax rate under this section, the  
3 portion of county adjusted gross income tax revenue dedicated to  
4 property tax replacement credits under section 11 of this chapter may  
5 not be decreased.

6 (m) In the year following the year in which a county first imposes  
7 a tax rate under this section, one-half (1/2) of the tax revenue that is  
8 attributable to the tax rate under this section must be deposited in the  
9 county stabilization fund established under subsection (o).

10 (n) A pledge of county adjusted gross income taxes does not apply  
11 to revenue attributable to a tax rate under this section.

12 (o) A county stabilization fund is established in each county that  
13 imposes a tax rate under this section. The county stabilization fund  
14 shall be administered by the county auditor. If for a year the certified  
15 distributions attributable to a tax rate under this section exceed the  
16 amount calculated under STEP ONE through STEP FOUR of  
17 IC 6-3.5-1.5-1(a) that is used by the department of local government  
18 finance and the department of state revenue to determine the tax rate  
19 under this section, the excess shall be deposited in the county  
20 stabilization fund. Money shall be distributed from the county  
21 stabilization fund in a year by the county auditor to political  
22 subdivisions entitled to a distribution of tax revenue attributable to the  
23 tax rate under this section if:

24 (1) the certified distributions attributable to a tax rate under this  
25 section are less than the amount calculated under STEP ONE  
26 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
27 department of local government finance and the department of  
28 state revenue to determine the tax rate under this section for a  
29 year; or

30 (2) the certified distributions attributable to a tax rate under this  
31 section in a year are less than the certified distributions  
32 attributable to a tax rate under this section in the preceding year.

33 However, subdivision (2) does not apply to the year following the first  
34 year in which certified distributions of revenue attributable to the tax  
35 rate under this section are distributed to the county.

36 (p) Notwithstanding any other provision, a tax rate imposed under  
37 this section may not exceed one percent (1%).

38 (q) The department of local government finance and the department  
39 of state revenue may take any actions necessary to carry out the  
40 purposes of this section.

41 SECTION 12. IC 6-3.5-1.5-1, AS AMENDED BY P.L.1-2008,  
42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2008]: Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: **This STEP applies only to property taxes first due and payable before January 1, 2010.** Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: **This STEP applies only to property taxes first due and payable before January 1, 2010.** Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 for the ensuing calendar year (before any adjustment under IC 12-19-7.5-6(b) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services

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property tax imposed by the county under IC 12-19-7.5-6 for the current calendar year.

STEP FOUR: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(b) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the department of state revenue shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the department of state revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

(c) The department and the department of local government finance shall make the calculations under subsections (a) and (b) based on the best information available at the time the calculation is made.

SECTION 13. IC 6-3.5-6-1.1, AS ADDED BY P.L.207-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units in the county, the allocation amount for a civil taxing unit is the amount determined using the following formula:

STEP ONE: Determine the total property taxes that are first due and payable to the civil taxing unit during the calendar year of the distribution plus, for a county, an amount equal to:

(1) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **and**

**(2) for calendar years after 2009, the average annual amount of property taxes imposed by the county under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3 for 2007 through 2009.**

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt

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obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit or school corporation's certified distribution for the previous calendar year.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds **were** appropriated from property taxes; to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes; to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease

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would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 14. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890

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1 Wayne Township \$988,397  
 2 Lawrence-City \$648,848  
 3 Beech Grove \$639,017  
 4 Southport \$18,906  
 5 Speedway \$546,000  
 6 (3) For each year after 1995, calculate the total amount of  
 7 revenues that are to be distributed as distributive shares during  
 8 that month as follows:  
 9 STEP ONE: Determine the total amount of revenues that were  
 10 distributed as distributive shares during that month in calendar  
 11 year 1995.  
 12 STEP TWO: Determine the total amount of revenue that the  
 13 department has certified as distributive shares for that month  
 14 under section 17 of this chapter for the calendar year.  
 15 STEP THREE: Subtract the STEP ONE result from the STEP  
 16 TWO result.  
 17 STEP FOUR: If the STEP THREE result is less than or equal  
 18 to zero (0), multiply the STEP TWO result by the ratio  
 19 established under subdivision (1).  
 20 STEP FIVE: Determine the ratio of:  
 21 (A) the maximum permissible property tax levy under  
 22 IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for each civil  
 23 taxing unit for the calendar year in which the month falls,  
 24 plus, for a county, an amount equal to the property taxes  
 25 imposed by the county in 1999 for the county's welfare fund  
 26 and welfare administration fund; divided by  
 27 (B) the sum of the maximum permissible property tax levies  
 28 under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for all  
 29 civil taxing units of the county during the calendar year in  
 30 which the month falls, and an amount equal to the property  
 31 taxes imposed by the county in 1999 for the county's welfare  
 32 fund and welfare administration fund.  
 33 **For calendar years after 2009, the amount to be included**  
 34 **by a county in clauses (A) and (B) for the maximum**  
 35 **permissible property tax levy under IC 12-19-7 and**  
 36 **IC 12-19-7.5 is the average annual amount of the county's**  
 37 **maximum permissible property tax levy under those**  
 38 **provisions during 2007 through 2009.**  
 39 STEP SIX: If the STEP THREE result is greater than zero (0),  
 40 the STEP ONE amount shall be distributed by multiplying the  
 41 STEP ONE amount by the ratio established under subdivision  
 42 (1).

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STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

**For calendar years after 2009, the amount to be included by a county in clauses (A) and (B) for the maximum permissible property tax levy under IC 12-19-7 and IC 12-19-7.5 is the average annual amount of the county's maximum permissible property tax levy under those provisions during 2007 through 2009.**

SECTION 15. IC 6-3.5-6-30, AS ADDED BY P.L.224-2007, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1

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of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal on January 1, 2010)**, IC 12-19-7.5-6(b) **(before its repeal on January 1, 2010)**, and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section.

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

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- 1 (A) the tax rate determined for the county under  
 2 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus  
 3 (B) the tax rate currently in effect in the county under this  
 4 section.  
 5 The tax rate under this subdivision continues in effect in later  
 6 years unless the tax rate is increased under this section.  
 7 (3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),  
 8 IC 12-19-7-4(b) **(before its repeal on January 1, 2010)**,  
 9 IC 12-19-7.5-6(b) **(before its repeal on January 1, 2010)**, and  
 10 IC 12-29-2-2(c) apply to property taxes first due and payable in  
 11 the ensuing calendar year.  
 12 (g) The department of local government finance shall determine the  
 13 following property tax replacement distribution amounts:  
 14 STEP ONE: Determine the sum of the amounts determined under  
 15 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
 16 county in the preceding year.  
 17 STEP TWO: For distribution to each civil taxing unit that in the  
 18 year had a maximum permissible property tax levy limited under  
 19 IC 6-1.1-18.5-3(g), determine the result of:  
 20 (1) the quotient of:  
 21 (A) the part of the amount determined under STEP ONE of  
 22 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
 23 to the civil taxing unit; divided by  
 24 (B) the STEP ONE amount; multiplied by  
 25 (2) the tax revenue received by the county treasurer under this  
 26 section.  
 27 STEP THREE: For distribution to the county for deposit in the  
 28 county family and children's fund, determine the result of:  
 29 (1) the quotient of:  
 30 (A) the amount determined under STEP TWO of  
 31 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 32 (B) the STEP ONE amount; multiplied by  
 33 (2) the tax revenue received by the county treasurer under this  
 34 section.  
 35 STEP FOUR: For distribution to the county for deposit in the  
 36 county children's psychiatric residential treatment services fund,  
 37 determine the result of:  
 38 (1) the quotient of:  
 39 (A) the amount determined under STEP THREE of  
 40 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 41 (B) the STEP ONE amount; multiplied by  
 42 (2) the tax revenue received by the county treasurer under this

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- 1 section.
- 2 STEP FIVE: For distribution to the county for community mental
- 3 health center purposes, determine the result of:
- 4 (1) the quotient of:
- 5 (A) the amount determined under STEP FOUR of
- 6 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 7 (B) the STEP ONE amount; multiplied by
- 8 (2) the tax revenue received by the county treasurer under this
- 9 section.
- 10 Except as provided in subsection (m), the county treasurer shall
- 11 distribute the portion of the certified distribution that is attributable to
- 12 a tax rate under this section as specified in this section. The county
- 13 treasurer shall make the distributions under this subsection at the same
- 14 time that distributions are made to civil taxing units under section 18
- 15 of this chapter.
- 16 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
- 17 income tax council may not decrease or rescind a tax rate imposed
- 18 under this chapter.
- 19 (i) The tax rate under this section shall not be considered for
- 20 purposes of computing:
- 21 (1) the maximum income tax rate that may be imposed in a county
- 22 under section 8 or 9 of this chapter or any other provision of this
- 23 chapter; or
- 24 (2) the maximum permissible property tax levy under STEP
- 25 EIGHT of IC 6-1.1-18.5-3(b).
- 26 (j) The tax levy under this section shall not be considered for
- 27 purposes of computing the total county tax levy under
- 28 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).
- 29 (k) A distribution under this section shall be treated as a part of the
- 30 receiving civil taxing unit's property tax levy for that year for purposes
- 31 of fixing its budget and for determining the distribution of taxes that
- 32 are distributed on the basis of property tax levies.
- 33 (l) If a county income tax council imposes a tax rate under this
- 34 section, the county option income tax rate dedicated to locally funded
- 35 homestead credits in the county may not be decreased.
- 36 (m) In the year following the year in which a county first imposes
- 37 a tax rate under this section:
- 38 (1) one-third (1/3) of the tax revenue that is attributable to the tax
- 39 rate under this section must be deposited in the county
- 40 stabilization fund established under subsection (o), in the case of
- 41 a county containing a consolidated city; and
- 42 (2) one-half (1/2) of the tax revenue that is attributable to the tax

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rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year. However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(r) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 16. IC 6-3.5-7-12, AS AMENDED BY P.L.232-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) Except as provided in sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

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(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county:

(i) an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **plus**

(ii) **for calendar years after 2009, the average annual amount of property taxes imposed by the county under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3 during 2007 through 2009.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and, for calendar years after 2009, the average annual amount of property taxes imposed by the county under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3 during 2007 through 2009.**

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction

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1 equals the population of the city or the town. For a county, the  
 2 numerator of the fraction equals the population of the part of  
 3 the county that is not located in a city or town. The  
 4 denominator of the fraction equals the sum of the population  
 5 of all cities and towns located in the county and the population  
 6 of the part of the county that is not located in a city or town.

7 (3) The ordinance may be made irrevocable for the duration of  
 8 specified lease rental or debt service payments.

9 (d) The body imposing the tax may not adopt an ordinance under  
 10 subsection (c) if, before the adoption of the proposed ordinance, any of  
 11 the following have pledged the county economic development income  
 12 tax for any purpose permitted by IC 5-1-14 or any other statute:

13 (1) The county.

14 (2) A city or town in the county.

15 (3) A commission, a board, a department, or an authority that is  
 16 authorized by statute to pledge the county economic development  
 17 income tax.

18 (e) The department of local government finance shall provide each  
 19 county auditor with the fractional amount of the certified distribution  
 20 that the county and each city or town in the county is entitled to receive  
 21 under this section.

22 (f) Money received by a county, city, or town under this section  
 23 shall be deposited in the unit's economic development income tax fund.

24 (g) Except as provided in subsection (b)(2)(B), in determining the  
 25 fractional amount of the certified distribution the county and its cities  
 26 and towns are entitled to receive under subsection (b) during a calendar  
 27 year, the department of local government finance shall consider only  
 28 property taxes imposed on tangible property subject to assessment in  
 29 that county.

30 (h) In a county having a consolidated city, only the consolidated city  
 31 is entitled to the certified distribution, subject to the requirements of  
 32 sections 15, 25, and 26 of this chapter.

33 SECTION 17. IC 6-3.5-8-12 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) If the fiscal  
 35 body of a municipality in a qualifying county adopts an ordinance  
 36 under section 11(a) of this chapter, the department of local government  
 37 finance may not certify a budget for the municipality under  
 38 IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than  
 39 ninety-seven percent (97%) of the budget of the municipality certified  
 40 by the department for the 2001 calendar year. The department of local  
 41 government finance may not certify a budget for the municipality under  
 42 IC 6-1.1-17-16(f) for any later calendar year that is greater than

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1 ninety-seven percent (97%) of the budget of the municipality certified  
 2 by the department for the calendar year that immediately precedes the  
 3 later calendar year.

4 (b) If the fiscal body of a municipality in a qualifying county adopts  
 5 an ordinance in a calendar year under section 11(c) of this chapter, the  
 6 department of local government finance may not certify a budget for  
 7 the municipality under IC 6-1.1-17-16(f) for the calendar year that  
 8 immediately succeeds the calendar year in which the ordinance is  
 9 adopted that is greater than ninety-seven percent (97%) of the budget  
 10 of the municipality certified by the department for the calendar year in  
 11 which the ordinance was adopted. The department of local government  
 12 finance may not certify a budget for the municipality under  
 13 IC 6-1.1-17-16(f) for any later calendar year that is greater than  
 14 ninety-seven percent (97%) of the budget of the municipality certified  
 15 by the department for the calendar year that immediately precedes the  
 16 later calendar year.

17 (c) Before July 1 of 2002 and of each year thereafter, the department  
 18 of local government finance shall review the budget approved for each  
 19 municipality in a qualifying county in which a municipal option income  
 20 tax is in effect to determine whether the restriction under subsection (a)  
 21 or (b) has been applied. If the restriction has not been applied:

22 (1) the municipal option income tax is rescinded as of July 1 of  
 23 the year in which the review was made;

24 (2) the municipality may not impose the municipal option income  
 25 tax for any later year; and

26 (3) the municipality is:

27 (A) subject to subsection (d), if the municipality adopted the  
 28 municipal option income tax in 2002; or

29 (B) subject to subsection (e), if the municipality adopted the  
 30 municipal option income tax in a year that succeeds 2002.

31 (d) In May 2003, the department of state revenue shall determine for  
 32 each municipality subject to this subsection the amount of tax revenue  
 33 collected for the municipality after August 31, 2001, and before July 1,  
 34 2002. The department of state revenue shall immediately notify the  
 35 municipality of the amount determined under this subsection. Not later  
 36 than thirty (30) days after receiving notification from the department  
 37 of state revenue, the municipality shall transfer the amount determined  
 38 by the department under this subsection from the municipality's general  
 39 fund to the county family and children's fund of the qualifying county  
 40 in which the municipality is located.

41 (e) In May 2004, and in May of each year thereafter, the department  
 42 of state revenue shall determine for each municipality subject to this

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subsection the amount of tax revenue collected for the municipality after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this section from the municipality's general fund to the county family and children's fund **(before its repeal on January 1, 2010)** of the qualifying county in which the municipality is located.

(f) If a municipality makes a transfer from its general fund to the county's family and children's fund **(before its repeal on January 1, 2010)** as described in subsection (d) or (e), the department of local government finance shall reduce by the amount transferred the county's maximum family and children's fund levy under ~~IC 6-1.1-18.6~~ **IC 12-19-7 (before its repeal on January 1, 2010)** for the calendar year that immediately succeeds the year in which the transfer is made.

(g) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11 of this chapter to impose a municipal option income tax. The maximum permissible ad valorem property tax levy of the municipality is not subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes payable in:

- (1) the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and
- (2) each succeeding calendar year in which the municipal option income tax remains in effect.

(h) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 14 of this chapter to rescind the municipal option income tax, or if the municipal option income tax in a municipality is rescinded by operation of law. For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE, the preceding calendar year is considered to be the calendar year in which an ordinance was adopted under section 11 of this chapter to impose the municipal option income tax.

SECTION 18. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year, the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount

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1 equal to one-fourth (1/4) of the sum of the guaranteed amounts for all  
 2 the taxing units of the county. On or before August 1 of each year, the  
 3 auditor of state shall transfer to each county auditor the supplemental  
 4 distribution for the county for the year.

5 (b) For purposes of determining distributions under subsection (c),  
 6 the department of local government finance shall determine a state  
 7 welfare allocation for each county calculated as follows:

8 (1) For 2000 and each year thereafter, the state welfare allocation  
 9 for each county equals the greater of zero (0) or the amount  
 10 determined under the following formula:

11 STEP ONE: For 1997, 1998, and 1999, determine the result  
 12 of:

13 (A) the amounts appropriated by the county in the year for  
 14 the county's county welfare fund and county welfare  
 15 administration fund; divided by

16 (B) the amounts appropriated by all the taxing units in the  
 17 county in the year.

18 STEP TWO: Determine the sum of the results determined in  
 19 STEP ONE.

20 STEP THREE: Divide the STEP TWO result by three (3).

21 STEP FOUR: Determine the amount that would otherwise be  
 22 distributed to all the taxing units in the county under  
 23 subsection (b) without regard to this subdivision.

24 STEP FIVE: Determine the result of:

25 (A) the STEP FOUR amount; multiplied by

26 (B) the STEP THREE result.

27 (2) The state welfare allocation shall be deducted from the  
 28 distributions otherwise payable under subsection (c) to the taxing  
 29 unit that is a county and shall be deposited in a special account  
 30 within the state general fund.

31 (c) A taxing unit's guaranteed distribution for a year is the greater  
 32 of zero (0) or an amount equal to:

33 (1) the amount received by the taxing unit under IC 6-5-10  
 34 (repealed) and IC 6-5-11 (repealed) in 1989; minus

35 (2) the amount to be received by the taxing unit in the year of the  
 36 distribution, as determined by the department of local government  
 37 finance, from property taxes attributable to the personal property  
 38 of banks, exclusive of the property taxes attributable to personal  
 39 property leased by banks as the lessor where the possession of the  
 40 personal property is transferred to the lessee; minus

41 (3) in the case of a taxing unit that is a county, the amount that  
 42 would have been received by the taxing unit in the year of the

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distribution, as determined by the department of local government finance from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

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(e) Except as provided in subsection (g), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (e) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999 from the county's county welfare fund and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3).

**(h) Notwithstanding any other provision of this chapter, the auditor of state shall for each year after 2009 adjust the distribution of excise taxes to a county under this chapter to ensure that the state retains, from the excise tax that would otherwise be distributed to the county in the year, an amount equal to the excise taxes distributed to the county in 2008 under this chapter because of property tax levies imposed under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3.**

SECTION 19. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of

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1 accounts.

2 (b) The county treasurer, upon receiving the excise tax collections,  
3 shall receipt such collections into a separate account for settlement  
4 thereof at the same time as property taxes are accounted for and settled  
5 in June and December of each year, with the right and duty of the  
6 treasurer and auditor to make advances prior to the time of final  
7 settlement of such property taxes in the same manner as provided in  
8 IC 5-13-6-3.

9 (c) **Except as provided in subsection (d)**, the county auditor shall  
10 determine the total amount of excise taxes collected for each taxing  
11 unit in the county and the amount so collected (and the distributions  
12 received under section 9.5 of this chapter) shall be apportioned and  
13 distributed among the respective funds of each taxing unit in the same  
14 manner and at the same time as property taxes are apportioned and  
15 distributed. However, for purposes of determining distributions under  
16 this section for 2000 and each year thereafter, the state welfare  
17 allocation for each county equals the greater of zero (0) or the amount  
18 determined under STEP FIVE of the following STEPS:

19 STEP ONE: For 1997, 1998, and 1999, determine the result of:

20 (i) the amounts appropriated by the county in the year from the  
21 county's county welfare fund and county welfare  
22 administration fund; divided by

23 (ii) the total amounts appropriated by all the taxing units in the  
24 county in the year.

25 STEP TWO: Determine the sum of the results determined in  
26 STEP ONE.

27 STEP THREE: Divide the STEP TWO result by three (3).

28 STEP FOUR: Determine the amount that would otherwise be  
29 distributed to all the taxing units in the county under this  
30 subsection without regard to this subdivision.

31 STEP FIVE: Determine the result of:

32 (i) the STEP FOUR amount; multiplied by

33 (ii) the STEP THREE result.

34 The state welfare allocation shall be deducted from the total amount  
35 available for apportionment and distribution to taxing units under this  
36 section before any apportionment and distribution is made. The county  
37 auditor shall remit the state welfare allocation to the treasurer of state  
38 for deposit in a special account within the state general fund.

39 **(d) Notwithstanding any other provision of this chapter, the**  
40 **county auditor shall for each year after 2009 adjust the**  
41 **distribution of excise taxes to a county under this chapter by**  
42 **making a payment to the treasurer of state each year from the**

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excise taxes collected an amount equal to the excise taxes distributed to the county under this chapter in 2008 because of property tax levies imposed under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3.

(d) (e) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) (f) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 20. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. The department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April. **Notwithstanding any other provision of this chapter, the department shall for each year after 2009 adjust the distribution of excise taxes to a county under this chapter to ensure that the state retains, from the excise tax that would otherwise be distributed to the county in the year, an amount equal to the excise taxes distributed to the county in 2008 under this chapter because of property tax levies imposed under IC 12-13-8, IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3.**

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of

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accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by ~~him~~ **the county treasurer** under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. The money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by ~~him~~ **the county treasurer**.

SECTION 21. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) The excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. **Except as provided in subsection (c),** the money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.

**(c) Notwithstanding any other provision of this chapter, the county auditor shall for each year after 2009 adjust the distribution of excise taxes to a county under this chapter by**

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1 making a payment to the treasurer of state each year from the  
 2 excise taxes collected an amount equal to the excise taxes  
 3 distributed to the county in 2008 under this chapter because of  
 4 property tax levies imposed under IC 12-13-8, IC 12-16-14,  
 5 IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3.

6 SECTION 22. IC 12-7-2-30.5 IS ADDED TO THE INDIANA  
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2008]: Sec. 30.5. "Child services", for  
 9 purposes of IC 12-19-8 after December 31, 2009, has the meaning  
 10 set forth in IC 12-19-8-2.

11 SECTION 23. IC 12-7-2-32.5 IS ADDED TO THE INDIANA  
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2008]: Sec. 32.5. "Children's psychiatric  
 14 residential treatment services", for purposes of IC 12-19-8 after  
 15 December 31, 2009, has the meaning set forth in IC 12-19-8-3.

16 SECTION 24. IC 12-7-2-64, AS AMENDED BY P.L.1-2007,  
 17 SECTION 107, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2008]: Sec. 64. "Director" refers to the  
 19 following:

20 (1) With respect to a particular division, the director of the  
 21 division.

22 (2) With respect to a particular state institution, the director who  
 23 has administrative control of and responsibility for the state  
 24 institution.

25 (3) For purposes of IC 12-10-15, the term refers to the director of  
 26 the division of aging.

27 (4) For purposes of IC 12-19-5 (**before its repeal on January 1,**  
 28 **2010**), the term refers to the director of the department of child  
 29 services established by IC 31-25-1-1.

30 (5) For purposes of IC 12-25, the term refers to the director of the  
 31 division of mental health and addiction.

32 (6) For purposes of IC 12-26, the term:

33 (A) refers to the director who has administrative control of and  
 34 responsibility for the appropriate state institution; and

35 (B) includes the director's designee.

36 (7) If subdivisions (1) through (6) do not apply, the term refers to  
 37 the director of any of the divisions.

38 SECTION 25. IC 12-7-2-91 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 91. "Fund" means the  
 40 following:

41 (1) For purposes of IC 12-12-1-9, the fund described in  
 42 IC 12-12-1-9.

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(2) For purposes of IC 12-13-8 **(before its repeal on January 1, 2010)**, the meaning set forth in IC 12-13-8-1.

(3) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

(4) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

(5) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

(6) For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

(7) For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

(8) For purposes of IC 12-19-7 **(before its repeal on January 1, 2010)**, the meaning set forth in IC 12-19-7-2.

(9) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

(10) For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

(11) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

(12) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

(13) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 26. IC 12-7-2-186 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 186. "State plan", for purposes of IC 12-8-6 **and (after December 31, 2009) IC 12-19-8**, refers to the state Medicaid plan for the Medicaid program.

SECTION 27. IC 12-13-5-5, AS AMENDED BY P.L.234-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the county welfare fund (before July 1, 2001), the family and children's fund **(before its repeal on January 1, 2010)**, and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division or the department of child services.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division or the department of child services and the state board of accounts.

SECTION 28. IC 12-13-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. The part of the care and maintenance of the inmates of the Plainfield Juvenile Correctional

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Facility and the Indianapolis Juvenile Correctional Facility that under law is to be charged back to the counties shall be paid from the county general fund and not the county family and children's fund **(before its repeal on January 1, 2010)**, unless otherwise provided by law.

SECTION 29. IC 12-13-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) The state medical assistance to wards fund is established. ~~Before the fifth day of each month, all money contained in a county medical assistance to wards fund at the end of the preceding month shall be transferred to the state medical assistance to wards fund.~~ The state medical assistance to wards fund consists of the following:

(1) The money transferred to the fund from the county medical assistance to wards funds **(before their repeal).**

(2) Any contributions to the fund from individuals, corporations, foundations, or others for the purpose of providing medical assistance.

**(3) Money transferred to the fund under IC 12-19-8-18.**

~~(4)~~ **(4)** Any appropriations made specifically to the fund by the general assembly.

(b) **Except as provided in subsection (c)**, this section does not obligate the general assembly to appropriate money to the state medical assistance to wards fund.

**(c) The general assembly shall appropriate sufficient funds to the state medical assistance to wards fund to pay the expenses and obligations incurred by the division after December 31, 2009, for medical assistance to wards and associated administrative costs.**

SECTION 30. IC 12-16-7.5-4.5, AS AMENDED BY P.L.218-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.5. (a) Not later than October 31 following the end of each state fiscal year, the division shall:

(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributed to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana;

(ii) whose state of residence could not be determined by the division; and

(iii) who were residents of Indiana but whose county of residence in Indiana could not be determined by the division;

and whose medical condition that necessitated the care or service occurred in the county;

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(2) notify each county of the amount of payable claims attributed to the county under the calculation made under subdivision (1); and

(3) with respect to payable claims attributed to a county under subdivision (1):

(A) calculate the total amount of payable claims submitted during the state fiscal year for:

(i) each hospital;

(ii) each physician; and

(iii) each transportation provider; and

(B) determine the amount of each payable claim for each hospital, physician, and transportation provider listed in clause (A).

(b) For the state fiscal years beginning after June 30, 2005, but before July 1, 2007, and before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the following state fiscal years:

(1) For the state fiscal year ending June 30, 2006, as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars (\$3,000,000).

The amount determined under this STEP shall be used by the division to make payments under section 5 of this chapter.

STEP THREE: Transfer an amount equal to the sum of:

(A) the nonfederal share of the payments made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the nonfederal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the nonfederal share of the payments

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identified in this STEP.

STEP FOUR: Transfer an amount equal to sixty-one million dollars (\$61,000,000) less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE; to the Medicaid indigent care trust fund for funding the nonfederal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

STEP FIVE: Transfer to the Medicaid indigent care trust fund for the programs referenced at IC 12-15-20-2(8)(D)(vi) and funded in accordance with IC 12-15-20-2(8)(H) the amount determined under STEP ONE, less the sum of the amount:

(A) determined in STEP TWO;

(B) transferred in STEP THREE; and

(C) transferred in STEP FOUR.

(2) For the state fiscal year ending June 30, 2007, as required under the following steps:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars (\$3,000,000).

The amount determined under this STEP shall be used by the division for making payments under section 5 of this chapter or for the nonfederal share of Medicaid payments for physicians and transportation providers, as determined by the office.

STEP THREE: Transfer an amount equal to the sum of:

(A) the nonfederal share of five million dollars (\$5,000,000) for the payment made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the nonfederal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the nonfederal share of the payments

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identified in this STEP.

STEP FOUR: Transfer an amount equal to the amount determined under STEP ONE less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the nonfederal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(c) For the state fiscal years beginning after June 30, 2007, before November 1 following the end of the state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 **(before January 1, 2010) or the funds from the property tax revenue deposited in the state hospital care for the indigent fund under IC 12-16-14-11 (after December 31, 2009)** during or for the state fiscal year as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from a county's hospital care for the indigent fund by the county to the state hospital care for the indigent fund under IC 12-16-14 **(before January 1, 2010) or the total amount of property tax revenue deposited in the state hospital care for the indigent fund under IC 12-16-14-11 (after December 31, 2009)** during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year attributed to the county under subsection (a), determine the amount of total physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of an amount equal to the sum of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars (\$3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of IC 12-15-20-2(8)(G) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making

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1 payments under section 5 of this chapter or for the nonfederal  
 2 share of Medicaid payments for physicians and transportation  
 3 providers, as determined by the office.

4 (d) The costs of administering the hospital care for the indigent  
 5 program, including the processing of claims, shall be paid from the  
 6 funds ~~transferred to~~ in the state hospital care for the indigent fund.

7 SECTION 31. IC 12-16-7.5-5, AS AMENDED BY P.L.218-2007,  
 8 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 2008]: Sec. 5. Before December 15 following the end of each  
 10 state fiscal year, the division shall, from the:

11 (1) amounts combined from the counties' hospital care for the  
 12 indigent funds and retained under section 4.5(b) or 4.5(c) of this  
 13 chapter **(before January 1, 2010); or**

14 **(2) amounts of property tax revenue deposited in the state**  
 15 **hospital care for the indigent fund under IC 12-16-14-11 and**  
 16 **retained under section 4.5(c) of this chapter (after December**  
 17 **31, 2009);**

18 pay each physician and transportation provider a pro rata part of that  
 19 amount. The total payments available under this section may not  
 20 exceed three million dollars (\$3,000,000).

21 SECTION 32. IC 12-16-14-6 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) The state hospital  
 23 care for the indigent fund is established.

24 (b) **This subsection applies before January 1, 2010.** Before the  
 25 fifth day of each month, all money contained in a county hospital care  
 26 for the indigent fund at the end of the preceding month shall be  
 27 transferred to the state hospital care for the indigent fund.

28 (c) **This subsection applies after December 31, 2009. The**  
 29 **property tax revenue collected under section 11 of this chapter**  
 30 **shall be deposited by the auditor of state in the state hospital care**  
 31 **for the indigent fund.**

32 SECTION 33. IC 12-16-14-7 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The state hospital  
 34 care for the indigent fund consists of the following:

35 (1) The money transferred to the state hospital care for the  
 36 indigent fund from the county hospital care for the indigent funds  
 37 **(before their repeal on January 1, 2010).**

38 (2) Any contributions to the fund from individuals, corporations,  
 39 foundations, or others for the purpose of providing hospital care  
 40 for the indigent.

41 (3) The money advanced to the fund under ~~IC 12-16-15-~~  
 42 **IC 12-16-15.5.**

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(4) The appropriations made specifically to the fund by the general assembly.

**(5) The property taxes collected under section 11 of this chapter after December 31, 2009.**

(b) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.

SECTION 34. IC 12-16-14-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 11. (a) Before August 1, 2009, the department of local government finance shall compute the uniform statewide tax rate required to raise the amount of revenue equal to the product of:**

**(1) the sum of the total amount of county hospital care for the indigent property tax imposed by all counties under IC 12-16-14 for taxes first due and payable in 2009; multiplied by**

**(2) the statewide average assessed value growth quotient determined under IC 6-1.1-18.5-2 for 2010.**

The department shall compute the uniform statewide tax rate under this subsection based on the best information available at the time the computation is made.

**(b) Before August 1 of 2010 and each year thereafter, the department of local government finance shall compute the uniform statewide tax rate required to raise the amount of revenue equal to the product of:**

**(1) the statewide average assessed value growth quotient determined under IC 6-1.1-18.5-2 for the following calendar year; multiplied by**

**(2) the following:**

**(A) In 2010, the product determined under subsection (a) in 2009.**

**(B) In 2011 and thereafter, the product determined under this subsection in the preceding calendar year.**

The department shall compute the uniform statewide tax rate under this subsection based on the best information available at the time the computation is made.

**(c) The property tax rate determined under this section is the state hospital care for the indigent property tax rate. For property taxes first due and payable in 2010 and each year thereafter, the state hospital care for the indigent tax rate is imposed on all taxable property in Indiana.**

**(d) The treasurer of each county shall collect the property taxes**

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1 imposed under this section in the same way that property taxes of  
 2 political subdivisions are collected. The auditor of each county  
 3 shall report and pay the property taxes collected by the county  
 4 treasurer under this chapter to the auditor of state. The auditor of  
 5 state shall deposit the property taxes transferred by the county  
 6 auditor into the state hospital care for the indigent fund.

7 SECTION 35. IC 12-16-15.5-1 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The division may  
 9 request an advancement of money from the state general fund in  
 10 anticipation of:

11 (1) county property tax revenue being transferred to the state  
 12 hospital care for the indigent fund **(in the case of property taxes**  
 13 **first due and payable before January 1, 2010); or**

14 (2) **the deposit of property tax revenue collected under**  
 15 **IC 12-16-14-11 (in the case of property taxes first due and**  
 16 **payable after December 31, 2009).**

17 SECTION 36. IC 12-16-15.5-3 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The amount that may  
 19 be advanced, plus the projected interest on that amount, may not  
 20 exceed the amount of:

21 (1) county property tax revenue that is expected to be transferred  
 22 to the state hospital care for the indigent fund during the six (6)  
 23 months following the date of the request, **for advances before**  
 24 **January 1, 2010; or**

25 (2) **the amount of property tax revenue that is expected to be**  
 26 **deposited under IC 12-16-14-11 in the state hospital care for**  
 27 **the indigent fund during the six (6) months following the date**  
 28 **of the request, for advances after December 31, 2009.**

29 SECTION 37. IC 12-16-15.5-6 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. If an advancement  
 31 is approved, the:

32 (1) county property tax revenue transferred to the state hospital  
 33 care for the indigent fund **(in the case of property taxes first due**  
 34 **and payable before January 1, 2010); or**

35 (2) **property tax revenue collected under IC 12-16-14-11 and**  
 36 **deposited in the state hospital care for the indigent fund (in**  
 37 **the case of property taxes first due and payable after**  
 38 **December 31, 2009);**

39 shall be immediately used to repay the amount of the interest and  
 40 advancements made under this section.

41 SECTION 38. IC 12-19-1-7, AS AMENDED BY P.L.145-2006,  
 42 SECTION 107, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The county director shall appoint from eligible lists established by the state personnel department the number of assistants necessary to:

(1) administer the welfare activities within the county that are administered by the division under IC 12-13 through IC 12-19 or by an administrative rule, with the approval of the director of the division; or

(2) administer the child services (as defined in IC 12-19-7-1, **before January 1, 2010, or in IC 12-19-8-2, after December 31, 2009**) and child welfare activities within the county that are the responsibility of the department under IC 12-13 through IC 12-19 and IC 31-25 through IC 31-40 or by an administrative rule, with the approval of the director of the department.

(b) The:

(1) division, for personnel performing activities described in subsection (a)(1);

(2) department, for personnel performing activities described in subsection (a)(2); or

(3) division and the department jointly for personnel performing activities in both subsection (a)(1) and (a)(2);

shall determine the compensation of the assistants within the salary ranges of the pay plan adopted by the state personnel department and approved by the budget agency, with the advice of the budget committee, and within lawfully established appropriations.

SECTION 39. IC 12-19-1-8, AS AMENDED BY P.L.234-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Except as provided in subsection (b), the costs of personal services in the administration of a county office's duties under this article if the employment is necessary for the administration of the county office's duties imposed upon the county office by this article and rules prescribed by the division or the department shall be paid by the following:

(1) The division, for activities described in section 7(a)(1) of this chapter.

(2) The department, for activities described in section 7(a)(2) of this chapter.

(b) The division and the department shall negotiate and agree to the payment of personnel services within the administration of a county office for activities that qualify under both section 7(a)(1) and 7(a)(2) of this chapter.

(c) **After December 31, 2009, the department shall pay the costs incurred by the county office in providing child services (as defined**

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1 **in IC 12-19-8-2). The amount necessary to pay the costs incurred**  
 2 **by the county office in providing child services is appropriated**  
 3 **from the state child welfare services fund.**

4 SECTION 40. IC 12-19-1-15 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) A county office  
 6 **(before January 1, 2010) or the department (after December 31,**  
 7 **2009)** may receive and administer a gift, devise, or bequest of personal  
 8 property, including the income from real property, that is:

9 (1) to or for the benefit of a home or an institution in which  
 10 dependent or neglected children are cared for under the  
 11 supervision of the county office **or department;** or

12 (2) for the benefit of children who are committed to the care or  
 13 supervision of the county office **or department.**

14 (b) A county office **(before January 1, 2010) or the department**  
 15 **(after December 31, 2009)** may invest or reinvest money received  
 16 under this section in the same types of securities in which life  
 17 insurance companies are authorized by law to invest the money of the  
 18 life insurance companies.

19 (c) The following shall be kept in a special fund and may not be  
 20 commingled with any other fund or with money received from taxation:

21 (1) All money received by the county office **(before January 1,**  
 22 **2010) or the department (after December 31, 2009)** under this  
 23 section.

24 (2) All money, proceeds, or income realized from real property or  
 25 other investments.

26 (d) Subject to the approval of the judge or the court of the county  
 27 having probate jurisdiction, money described in subsection (c)(1) or  
 28 (c)(2) may be expended by the county office **(before January 1, 2010)**  
 29 **or the department (after December 31, 2009)** in any manner  
 30 consistent with the purposes of the fund's creation and with the  
 31 intention of the donor.

32 **(e) On December 31, 2009, each county office shall transfer to**  
 33 **the department any personal property or money received or**  
 34 **administered by the county office under this section.**

35 SECTION 41. IC 12-19-1-16 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) This section  
 37 does not apply to money received to reimburse the county family and  
 38 children's fund **(before January 1, 2010) or the state child welfare**  
 39 **services fund (after December 31, 2009)** for expenditures made from  
 40 the appropriations of the county office **or (after December 31, 2009)**  
 41 **the state appropriations of the county office.**

42 (b) **This subsection applies before January 1, 2010.** A county

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office may receive and administer money available to or for the benefit of a person receiving payments or services from the county office. The following applies to all money received under this section:

(1) The money shall be kept in a special fund known as the county family and children trust clearance fund and may not be commingled with any other fund or with money received from taxation.

(2) The money may be expended by the county office in any manner consistent with the following:

(A) The purpose of the county family and children trust clearance fund or with the intention of the donor of the money.

(B) Indiana law.

**(c) This subsection applies after December 31, 2009. The department may receive and administer money available to or for the benefit of a person receiving payments or services from the department. The following applies to all money received under this section:**

**(1) The money shall be kept in a special fund known as the state family and children trust clearance fund and may not be commingled with any other fund.**

**(2) The money may be expended by the department in any manner consistent with the following:**

**(A) The purpose of the state family and children trust clearance fund or the intention of the donor of the money.**

**(B) Indiana law.**

**(d) On December 31, 2009, each county office shall transfer to the department any money in the county family and children trust clearance fund.**

SECTION 42. IC 12-19-1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21. (a) Notwithstanding any other law, after December 31, 1999, a county may not impose any of the following:

(1) A property tax levy for a county welfare fund.

(2) A property tax levy for a county welfare administration fund.

**(b) Notwithstanding any other law, after December 31, 2009, a county may not impose any of the following:**

**(1) A property tax levy for a county medical assistance to wards fund.**

**(2) A property tax levy for a county family and children's services fund.**

**(3) A property tax levy for a children's psychiatric residential treatment services fund.**

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(4) A property tax levy for a children with special health care needs county fund.

(5) A property tax levy for a county hospital care for the indigent fund.

SECTION 43. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.5. As used in this chapter, "implementation date" means the following:

(1) December 31, 1999, for pledges described in section 8(a)(1) of this chapter.

(2) May 31, 2009, for pledges described in section 8(a)(2) of this chapter.

SECTION 44. IC 12-19-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in the following:

(1) 1999 for:

(+) (A) the county welfare fund; and

(2) (B) the county welfare administration fund.

(2) 2009 for:

(A) the county family and children's fund;

(B) the children's psychiatric residential treatment services fund;

(C) the county medical assistance to wards fund;

(D) the children with special health care needs county fund; and

(E) the county hospital care for the indigent fund.

SECTION 45. IC 12-19-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This chapter applies to an allocation area in which either:

(1) the:

(A) holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

(2) the (B) elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in subdivision (1); clause (A); or

(2) the:

(A) holders of obligations received a pledge before June 1, 2009, of tax increment revenues to repay any part of the

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obligations due after May 31, 2009; and  
 (B) repeal of the county family and children's fund levy, the children's psychiatric residential treatment services fund levy, the county medical assistance to wards fund levy, the children with special health care needs county fund levy, and the county hospital care for the indigent fund levy effective January 1, 2010, adversely affects the ability of the governing body to repay the obligations described in clause (A).

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 46. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999~~ **the implementation date**. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives

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for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

SECTION 47. IC 12-19-8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

**Chapter 8. State Funding of Child Services**

**Sec. 1. Except as specifically provided, this chapter applies after December 31, 2009.**

**Sec. 2. As used in this chapter, "child services" means the following:**

**(1) Child welfare services specifically provided for children who are:**

**(A) adjudicated to be:**

**(i) children in need of services; or**

**(ii) delinquent children; or**

**(B) recipients of or are eligible for:**

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- (i) informal adjustments;
- (ii) service referral agreements; and
- (iii) adoption assistance;

including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid by the department of child services under IC 31-40-1-2, and all costs required to be paid by the department of child services under IC 20-26-11-12.

(2) Assistance awarded to a destitute child under IC 31-26-2.

(3) Child welfare services as described in IC 31-26-3.

(4) Children's psychiatric residential treatment services.

(5) Medical assistance to wards.

(6) Services for children with special health care needs.

Sec. 3. As used in this chapter, "children's psychiatric residential treatment services" means services that are:

(1) eligible for federal financial participation under the state plan; and

(2) provided to individuals less than twenty-one (21) years of age who are:

(A) eligible for services under the state plan;

(B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and

(C) residing in a private psychiatric residential facility for the purpose of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.

Sec. 4. As used in this chapter, "fund" refers to the state child welfare services fund established by section 7 of this chapter.

Sec. 5. As used in this chapter, "private psychiatric residential treatment facility" means a privately owned and operated facility that:

(1) provides inpatient treatment to individuals less than twenty-one (21) years of age for mental health conditions;

(2) is licensed or certified by:

(A) the department; or

(B) the division of mental health and addiction;

to provide children's psychiatric residential treatment services; and

(3) is enrolled in the state Medicaid program as a provider eligible to provide children's psychiatric residential treatment

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1 services.

2 Sec. 6. As used in this chapter, "state plan" means the state  
3 Medicaid plan for the Medicaid program.

4 Sec. 7. (a) The state child welfare services fund is established.  
5 The department shall administer fund.

6 (b) The expenses of administering the fund shall be paid from  
7 money in the fund.

8 (c) Money in the fund at the end of a state fiscal year does not  
9 revert to the state general fund.

10 (d) The fund consists of the following:

11 (1) Property taxes collected under this chapter and deposited  
12 in the fund.

13 (2) Any money appropriated to the fund by the general  
14 assembly.

15 (3) Gifts and grants to the fund.

16 (4) Investment earnings on money in the fund.

17 (5) Any other money required by law to be deposited in the  
18 fund.

19 (e) All money accruing to the fund is appropriated continuously  
20 for the payment by the state of the costs of child services and to  
21 make the transfers required by sections 18 and 19 of this chapter.

22 (f) Money in the fund is appropriated continuously for the  
23 purposes of this chapter.

24 Sec. 8. Notwithstanding any other law, the state shall pay the  
25 total costs of child welfare services provided after December 31,  
26 2009.

27 Sec. 9. Before August 1 of 2009 and each year thereafter, the  
28 budget agency, with the assistance of the department, the division  
29 of family resources, and the state department of health, shall do the  
30 following:

31 (1) Prepare a budget under sections 10 and 11 of this chapter  
32 estimating the amount that will be expended for certain child  
33 services during the following calendar year.

34 (2) Prepare an estimate of the state welfare property tax rate  
35 that must be imposed in the following calendar year under  
36 section 16 of this chapter to raise sufficient property tax  
37 revenue to pay the expenses of providing child services during  
38 the following calendar year, after considering:

39 (A) the estimated balance of the fund at the beginning of  
40 the following calendar year; and

41 (B) any other sources of revenue for the fund other than  
42 property tax revenue.

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1 (3) Provide the budget and estimated state welfare property  
 2 tax rate to each county auditor according to the schedule that  
 3 is determined by the department of local government finance  
 4 under IC 6-1.1-17-3(a) and that governs the providing of  
 5 budget and levy information by political subdivisions to  
 6 county auditors.

7 Sec. 10. (a) Before August 1 of 2009 and each year thereafter,  
 8 the department, upon the advice of the judges of the courts with  
 9 juvenile jurisdiction in each county and after consulting with the  
 10 division of family resources, shall compile annually and adopt a  
 11 child services budget, which must be in a form prescribed by the  
 12 state board of accounts.

13 (b) The budget under subsection (a) must contain an estimate of  
 14 the amount of money that will be needed by the department and  
 15 county offices during the ensuing calendar year to defray the  
 16 expenses and obligations incurred by the department in the  
 17 payment of child services described in section 2(1), 2(2), and 2(3)  
 18 of this chapter, including services for children adjudicated to be  
 19 children in need of services or delinquent children and other  
 20 related services, (but not including the payment of TANF).

21 Sec. 11. (a) For purposes of this section, "expenses and  
 22 obligations incurred by the department" includes all anticipated  
 23 costs of children's residential psychiatric services that are equal to  
 24 the state share of the cost of those services that are reimbursable  
 25 under the state plan.

26 (b) Before August 1 of 2009 and each year thereafter, the  
 27 department, upon the advice of the judges of the courts with  
 28 juvenile jurisdiction in each county and after consulting with the  
 29 division of family resources, shall compile annually and adopt a  
 30 children's psychiatric residential treatment services budget, which  
 31 must be in a form prescribed by the state board of accounts.

32 (c) The budget must contain an estimate of the amount of money  
 33 that will be needed by the department during the fiscal year to  
 34 defray the expenses and obligations incurred by the department in  
 35 the payment of children's psychiatric residential treatment services  
 36 for children who are Indiana residents.

37 Sec. 12. Before August 1 of 2009 and each year thereafter, the  
 38 department shall, with the assistance of the department of local  
 39 government finance and the judges of courts with juvenile  
 40 jurisdiction in each county, compute the uniform statewide tax rate  
 41 required to raise the amount of revenue necessary to pay the  
 42 amounts that the director and the judges of the courts with juvenile

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jurisdiction determine will be necessary to pay the items, awards, claims, allowances, assistance, obligations, and other expenses of the department and the county offices set forth in the budget adopted under section 10 of this chapter. The department shall compute the uniform statewide tax rate under this section based on the best information available at the time the computation is made.

Sec. 13. Before August 1 of 2009 and each year thereafter, the department shall, with the assistance of the department of local government finance, compute the uniform statewide tax rate required to raise the amount of revenue necessary to pay the amounts that the director determines will be necessary to pay the costs of children's psychiatric residential treatment services set forth in the budget adopted under section 11 of this chapter. The department shall compute the uniform statewide tax rate under this section based on the best information available at the time the computation is made.

Sec. 14. (a) Before August 1, 2009, the division of family resources shall, with the assistance of the department of local government finance, compute the uniform statewide tax rate required to raise the amount of revenue equal to the product of:

- (1) the sum of the total amount of medical assistance property tax levies imposed by all counties under IC 12-13-8 for taxes first due and payable in 2009; multiplied by
- (2) the statewide average assessed value growth quotient determined under IC 6-1.1-18.5-2 for 2010.

The division shall compute the uniform statewide tax rate under this subsection based on the best information available at the time the computation is made.

(b) Before August 1 of 2010 and each year thereafter, the division of family resources shall, with the assistance of the department of local government finance, compute the uniform statewide tax rate required to raise the amount of revenue equal to the product of:

- (1) the statewide average assessed value growth quotient determined under IC 6-1.1-18.5-2 for the following calendar year; multiplied by
- (2) the following:
  - (A) In 2010, the product determined under subsection (a) in 2009.
  - (B) In 2011 and thereafter, the product determined under this subsection in the preceding calendar year.

The division shall compute the uniform statewide tax rate under

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1 this subsection based on the best information available at the time  
2 the computation is made.

3 (c) For 2010 and each year thereafter, if the amount levied in a  
4 particular year and transferred to the state medical assistance to  
5 wards fund under section 18 of this chapter exceeds, as determined  
6 by the division of family resources, the amount necessary to cover  
7 the costs payable from the state medical assistance to wards fund,  
8 the uniform statewide tax rate calculated under this section for the  
9 following calendar year shall be reduced to reflect the surplus  
10 money in the state medical assistance to wards fund.

11 Sec. 15. (a) Before August 1, 2009, the state department of  
12 health shall, with the assistance of the department of local  
13 government finance, compute the uniform statewide tax rate  
14 required to raise the amount of revenue equal to the product of:

15 (1) the sum of the total amount of children with special health  
16 care needs property tax levies imposed by all counties under  
17 IC 16-35-3 for taxes first due and payable in 2009; multiplied  
18 by

19 (2) the statewide average assessed value growth quotient  
20 determined under IC 6-1.1-18.5-2 for 2010.

21 The state department of health shall compute the uniform  
22 statewide tax rate under this subsection based on the best  
23 information available at the time the computation is made.

24 (b) Before August 1 of 2010 and each year thereafter, the state  
25 department of health shall, with the assistance of the department  
26 of local government finance, compute the uniform statewide tax  
27 rate required to raise the amount of revenue equal to the product  
28 of:

29 (1) the statewide average assessed value growth quotient  
30 determined under IC 6-1.1-18.5-2 for the following calendar  
31 year; multiplied by

32 (2) the following:

33 (A) In 2010, the product determined under subsection (a)  
34 in 2009.

35 (B) In 2011 and thereafter, the product determined under  
36 this subsection in the preceding calendar year.

37 The state department of health shall compute the uniform  
38 statewide tax rate under this section based on the best information  
39 available at the time the computation is made.

40 (c) For 2010 and each year thereafter, if the amount levied in a  
41 particular year and transferred to the children with special health  
42 care needs state fund under section 19 of this chapter exceeds, as

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determined by the state department of health, the amount necessary to cover the costs payable from the children with special health care needs state fund, the uniform statewide tax rate calculated under this section for the following calendar year shall be reduced to reflect the surplus money in the children with special health care needs state fund.

Sec. 16. (a) Before September 1 of 2009 and each year thereafter, the department of local government finance shall determine a property tax rate equal to the sum of the uniform statewide property tax rates determined under sections 12 through 15 of this chapter. This property tax rate is the state welfare property tax rate.

(b) For property taxes first due and payable in 2010 and each year thereafter, the state welfare property tax rate is imposed on all taxable property in the state.

(c) The treasurer of each county shall collect the property taxes imposed under this chapter in the same way that property taxes of political subdivisions are collected. The auditor of each county shall report and pay the property taxes collected by the county treasurer under this chapter to the auditor of state. The auditor of state shall deposit the property taxes transferred by the county auditor into the fund.

Sec. 17. IC 6-1.1-17-13 does not apply to a budget, tax rate, or property tax levy determined under this chapter.

Sec. 18. The property taxes collected under this chapter that are attributable to the uniform statewide tax rate computed under section 14 of this chapter shall be transferred by the auditor of state to the state medical assistance to wards fund.

Sec. 19. The property taxes collected under this chapter that are attributable to the uniform statewide tax rate computed under section 15 of this chapter shall be transferred by the auditor of state to the children with special health care needs state fund.

Sec. 20. (a) Notwithstanding any other provision, the authority of a county to impose a property tax levy for the following funds is terminated on December 31, 2009:

- (1) County family and children's fund.
- (2) County medical assistance to wards fund.
- (3) Children's psychiatric residential treatment services fund.
- (4) Children with special health care needs county fund.

(b) Notwithstanding any other provision, after December 31, 2009, each county shall impose for the county's debt service fund a property tax levy sufficient to make timely payments of principal

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and interest on:

- (1) loans entered into; or
  - (2) bonds issued (including refunding bonds);
- before January 1, 2010, to pay for child services or children's psychiatric residential treatment services provided before January 1, 2010, from the county debt service fund.

Sec. 21. (a) The judges of the courts with juvenile jurisdiction in each county and the department shall meet in a public meeting:

- (1) in April; and
  - (2) after June 30 and before October 1;
- in each year.

(b) At a meeting required in subsection (a), the department shall present to the judges the following reports:

(1) Expenditures made:

(A) during the immediately preceding calendar quarter from the fund in comparison to twenty-five percent (25%) of the budget prepared under section 9 of this chapter for the calendar year; and

(B) from the fund in the corresponding calendar quarter of each of the two (2) preceding calendar years.

(2) Obligations incurred through the end of the immediately preceding calendar quarter that will be payable from the fund during the remainder of the calendar year or in any subsequent calendar year.

(3) The number of children, by category, for whom the fund was required to provide funds for services during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(4) The number and type of out-of-home placements, by category, for which the fund was required to provide funds for foster home care or institutional placement, and the average daily, weekly, or monthly cost of out of home placement care and services by category, during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(5) The number of children, by category, for whom the fund was required to provide funds for services for children residing with the child's parent, guardian, or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the immediately

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preceding calendar quarter, in comparison to the corresponding calendar quarter for each of the two (2) preceding calendar years.

(c) In preparing the reports described in subsection (b), the department may use the best information reasonably available from the records of the department, the county office, and the fund.

(d) At each meeting described in subsection (a), the judges and department shall discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner.

SECTION 48. IC 16-33-4-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.5. (a) In the case of a child who is:

- (1) admitted to the home from another county; and
- (2) adjudicated to be a delinquent child or child in need of services by the juvenile court in the county where the home is located;

the juvenile court may order the county office of family and children of the child's county of residence before the child's admission to the home **(before January 1, 2010) or the department of child services (after December 31, 2009)** to reimburse the cost of services ordered by the juvenile court, including related transportation costs, and any cost incurred by the county **(before January 1, 2010) or the department (after December 31, 2009)** to transport or detain the child before the order is issued.

(b) **This subsection applies before January 1, 2010.** A county office of family and children ordered to reimburse costs under this section shall pay the amount ordered from the county family and children's fund.

(c) **This subsection applies before January 1, 2010.** The county office of family and children may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the county family and children's fund for an amount paid under this section.

(d) **This subsection applies after December 31, 2009.** The department of child services ordered to reimburse costs under this section shall pay the amount ordered from the state child welfare fund. The department of child services may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the department for an amount paid under this section.

~~(d)~~ (e) A child who is admitted to the home does not become a

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resident of the county where the home is located.

~~(e)~~ **(f)** When an unemancipated child is released from the home, the county office of family and children for the child's county of residence before entering the home **(before January 1, 2010) or the department of child services (after December 31, 2009)** is responsible for transporting the child to the parent or guardian of the child. If a parent or guardian does not exist for an unemancipated child released from the home, the county office of family and children of the child's county of residence before entering the home **(before January 1, 2010) or the department of child services (after December 31, 2009)** shall obtain custody of the child.

SECTION 49. IC 16-35-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. All money contained in the children with special health care needs county fund established in each county under IC 16-35-3 **(before its repeal January 1, 2010)** shall be transferred at the end of each month to the children with special health care needs state fund.

SECTION 50. IC 16-35-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The children with special health care needs state fund consists of the following:

(1) Money transferred to the fund from the children with special health care needs county fund under IC 16-35-3 **(before its repeal January 1, 2010).**

**(2) Money transferred to the fund after December 31, 2009, by the auditor of state under IC 12-19-8-19.**

~~(2)~~ **(3)** Contributions to the fund from individuals, corporations, foundations, or other persons for the purpose of providing money to assist children with special health care needs.

~~(3)~~ **(4)** Appropriations made specifically to the fund by the general assembly.

SECTION 51. IC 20-26-11-12, AS AMENDED BY P.L.145-2006, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

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(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

the county office of family and children for the county placing the child shall pay from the county family and children's fund **(before January 1, 2010) or the department of child services shall pay from the state child welfare fund (after December 31, 2009)** to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which a county office **(before January 1, 2010) or the department of child services (after December 31, 2009)** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the county office **or department**, the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

the county office of family and children for the county placing the child shall pay from the county family and children's fund **(before January 1, 2010) or the department of child services shall pay from the state child welfare fund (after December 31, 2009)** in an amount and in the manner specified in a written agreement between the county office **or department** and the institution or other facility.

(e) An agreement described in subsection (c) or (d) is subject to the

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approval of the director of the department of child services. However, for purposes of IC 4-13-2, the agreement shall not be treated as a contract.

SECTION 52. IC 20-26-11-13, AS AMENDED BY P.L.234-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the

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following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 **(before January 1, 2010) or the department of child services (after December 31, 2009)** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

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(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer

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student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.

SECTION 53. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 29. (a) It is unlawful for a person operating or responsible for:

- (1) an educational **institution or school**;
- (2) a correctional **institution or school**;
- (3) a charitable **institution or school**; or
- (4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the county office of family and children of the county of the child's legal settlement under IC 12-19-7 **(for claims made before January 1, 2010) or the**

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1 **department of child services (for claims made after December 31,**  
 2 **2009)** for the use of the space within the institution or facility  
 3 (commonly called capital costs) that is used to provide educational  
 4 services to the child based upon a prorated per child cost.

5 SECTION 54. IC 31-9-2-84.8 IS ADDED TO THE INDIANA  
 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2008]: **Sec. 84.8. "Objection to services**  
 8 **report", for purposes of IC 31-34-21-0.5, IC 31-37-20-0.5, and**  
 9 **IC 31-40-1-2, means (after December 31, 2009) a report containing**  
 10 **a recommendation for the care, treatment, rehabilitation, or**  
 11 **placement of a:**

12 (1) **child in need of services; or**

13 (2) **delinquent child;**

14 **that is different than the care, treatment, rehabilitation, or**  
 15 **placement of the child ordered by the juvenile court in the**  
 16 **dispositional decree.**

17 SECTION 55. IC 31-25-2-7, AS ADDED BY P.L.145-2006,  
 18 SECTION 271, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2008]: **Sec. 7.** The department is responsible for  
 20 the following:

21 (1) Providing child protection services under this article.

22 (2) Providing and administering child abuse and neglect  
 23 prevention services.

24 (3) Providing and administering child services (as defined in  
 25 IC 12-19-7-1, **before its repeal January 1, 2010, and as**  
 26 **described in IC 12-19-8-2(1) through IC 12-19-8-2(4), after**  
 27 **December 31, 2009).**

28 (4) Providing and administering family services.

29 (5) Providing family preservation services under IC 31-26-5.

30 (6) Regulating and licensing the following under IC 31-27:

31 (A) Child caring institutions.

32 (B) Foster family homes.

33 (C) Group homes.

34 (D) Child placing agencies.

35 (7) Administering the state's plan for the administration of Title  
 36 IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).

37 (8) Administering foster care services.

38 (9) Administering independent living services (as described in 42  
 39 U.S.C. 677 et seq.).

40 (10) Administering adoption services.

41 SECTION 56. IC 31-25-2-17, AS ADDED BY P.L.145-2006,  
 42 SECTION 271, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2008]: Sec. 17. (a) The department may establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of services to all the counties in a region determined by the department. An agreement may provide for payment from state funds appropriated for the purpose or direct billing of services to the county receiving the service.

(b) If the department enters into a procurement agreement covering a county, the county, including the county's juvenile court, shall procure all services covered by the procurement agreement in accordance with the regional procurement agreement and the policies prescribed by the department. With the approval of the department, a county may use services from an alternate provider.

(c) **This subsection applies before January 1, 2010.** The costs incurred under a procurement agreement shall be shared by the counties covered by the procurement agreement. The department shall allocate the costs of a regional procurement agreement among the counties covered by the agreement in proportion to the use of the services by each county under the schedule prescribed by the department. A county shall pay the costs incurred under a procurement agreement from the:

(1) family and children's fund; or

(2) children's psychiatric residential treatment services fund;

as appropriate.

(d) **This subsection applies before January 1, 2010.** If the department pays the costs incurred under a procurement contract from state funds appropriated for the purpose, the department shall present a claim for reimbursement to the appropriate county auditor. The county executive shall review and allow the full amount of the claim in the manner provided in IC 36-2-6.

SECTION 57. IC 31-25-2-19, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) The department may charge the following adoption fees:

(1) An adoption placement fee that may not exceed the actual costs incurred by the county office for medical expenses of children and mothers.

(2) A fee that does not exceed the time and travel costs incurred by the county office for home study and investigation concerning a contemplated adoption.

(b) Fees charged under this section shall be deposited in a separate

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account in the county family and children trust clearance fund established under IC 12-19-1-16 **(in the case of fees charged before January 1, 2010) or in the state child welfare services fund established under IC 12-19-8-7 (in the case of fees charged after December 31, 2009)**. Money deposited under this subsection shall be expended by the department for the following purposes without further appropriation:

(1) The care of children whose adoption is contemplated.

(2) The improvement of adoption services provided by the department.

(c) The director may adopt rules governing the expenditure of money under this section.

(d) The department may provide written authorization allowing a county office to reduce or waive charges authorized under this section in hardship cases or for other good cause after investigation. The department may adopt forms on which the written authorization is provided.

SECTION 58. IC 31-26-2-10, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) Upon the completion of an investigation under section 9 of this chapter, the county office **(before January 1, 2010) or the department (after December 31, 2009)** shall do the following:

(1) Determine whether the child is eligible for assistance under this chapter and the department's rules.

(2) Determine the amount of the assistance and the date on which the assistance is to begin.

(3) Make an award, including any subsequent modification of the award, with which the department shall comply until the award or modified award is vacated.

(4) Notify the applicant and the department of the county office's decision in writing.

(b) The county office **(before January 1, 2010) or the department (after December 31, 2009)** shall provide assistance to the recipient at least monthly upon warrant of the county auditor. The assistance must be:

(1) made from the county family and children's fund **(before January 1, 2010) or the state child welfare services fund (after December 31, 2009)**; and

(2) based on a verified schedule of the recipients.

(c) The director of the county office **or department** shall prepare and verify the amount payable to the recipient, in relation to the awards

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made by the county office **or department**. The department shall prescribe the form on which the schedule under subsection (b)(2) must be filed.

SECTION 59. IC 31-26-2-11, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) The county office **(before January 1, 2010) or the department (after December 31, 2009)** may establish an account for a child if the department determines the account is necessary or beneficial to the child's welfare.

(b) The county office **(before January 1, 2010) or the department (after December 31, 2009)** shall pay to a designated person from the account under subsection (a) an amount needed for the child's food, clothing, shelter, and other necessities.

(c) The balance of the remaining amount under subsection (b) that exceeds the child's immediate needs:

(1) may be credited to the child's account for a period of not more than six (6) months; and

(2) must be used for the child's benefit as the need arises;

if necessary records are maintained and payment is made for the destitute child under the department's rules.

SECTION 60. IC 31-26-2-12, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) If assistance is granted to a destitute child under this chapter, facts supporting the award of assistance, as prescribed by the department, must be entered on a certificate.

(b) The department shall prescribe the form for the certificate under subsection (a). The certificate must bear the impress of the department's seal.

(c) The department shall prepare four (4) copies of the certificate under subsection (a). The department shall distribute copies of the certificate as follows:

(1) One (1) copy must be filed with and retained by the office.

(2) One (1) copy must be filed with and retained by the department.

(3) **Before January 1, 2010**, one (1) copy must be filed with and retained by the office of the county auditor.

(4) One (1) copy must be given to the recipient.

SECTION 61. IC 31-26-3-2, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) This section does not apply to a county office's:

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(1) administrative expenses; or

(2) expenses regarding facilities, supplies, and equipment.

(b) Necessary expenses incurred in the administration of the child welfare services under section 1 of this chapter shall be paid out of:

(1) the county welfare fund or the county family and children's fund (whichever is appropriate), **in the case of expenses incurred before January 1, 2010; or**

(2) **the state child welfare services fund, in the case of expenses incurred after December 31, 2010.**

SECTION 62. IC 31-26-3-3, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) **This subsection applies before January 1, 2010.** The state shall provide money to a county to assist the county in defraying the expenses incurred for child welfare services as provided in section 1 of this chapter.

(b) **This subsection applies before January 1, 2010.** The state shall provide the money under subsection (a) as follows:

(1) Monthly.

(2) Based on need.

(3) From money received through the federal government for the purpose described in this section.

(4) In an amount to be determined by the department in conformity with the federal Social Security Act (42 U.S.C. 602).

(c) **This subsection applies after December 31, 2009. The department shall pay the expenses incurred for child welfare services as provided in section 1 of this chapter.**

SECTION 63. IC 31-31-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The juvenile court may establish juvenile detention and shelter care facilities for children, except as provided by IC 31-31-9.

(b) The court may contract with other agencies to provide juvenile detention and shelter care facilities.

(c) If the juvenile court operates the juvenile detention and shelter care facilities, the judge shall appoint staff and determine the budgets.

(d) The county shall pay all expenses. The expenses for the juvenile detention facility shall be paid from the county general fund. Payment of the expenses for the juvenile detention facility may not be paid from the county family and children's fund established by IC 12-19-7-3 **(before its repeal January 1, 2010) or the state child welfare services fund (after December 31, 2009).**

SECTION 64. IC 31-31-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) This section

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1 applies to a county having a population of more than one hundred ten  
2 thousand (110,000) but less than one hundred fifteen thousand  
3 (115,000).

4 (b) Notwithstanding section 3 of this chapter, the juvenile court  
5 shall operate a juvenile detention facility or juvenile shelter care  
6 facility established in the county. However, the county legislative body  
7 shall determine the budget for the juvenile detention facility or juvenile  
8 shelter care facility. The expenses for the juvenile detention facility  
9 shall be paid from the county general fund. Payment of the expenses for  
10 the juvenile detention facility may not be paid from the county family  
11 and children's fund established by IC 12-19-7-3 **(before its repeal**  
12 **January 1, 2010) or the state child welfare services fund (after**  
13 **December 31, 2009).**

14 SECTION 65. IC 31-34-21-0.5 IS ADDED TO THE INDIANA  
15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. (a) This section applies after**  
17 **December 31, 2009.**

18 (b) **After the date of a dispositional decree, the department may**  
19 **file an objection to services report with the juvenile court that**  
20 **entered the decree.**

21 (c) **If the department wishes to file an objection to services**  
22 **report, the department must first:**

- 23 (1) **not more than five (5) days after the date of the**  
24 **dispositional decree notify the juvenile court of the**  
25 **department's intent to file an objection to services report; and**  
26 (2) **not more than five (5) days after the date of the**  
27 **notification filed under subdivision (1) file the objection to**  
28 **services report with the juvenile court.**

29 (d) **If the department files an objection to services report, the**  
30 **department shall provide the juvenile court with a confidential**  
31 **written explanation indicating:**

- 32 (1) **the reason the department recommended different services**  
33 **from the services ordered in the dispositional decree; and**  
34 (2) **the difference in cost between the services recommended**  
35 **in the objection to services report and the services ordered in**  
36 **the dispositional decree.**

37 (e) **If, after reviewing the objection to services report, the**  
38 **juvenile court seeks to consider modification of the dispositional**  
39 **decree, the juvenile court shall proceed under IC 31-34-23**  
40 **(modification of dispositional decrees).**

41 SECTION 66. IC 31-34-24-8, AS AMENDED BY P.L.145-2006,  
42 SECTION 327, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2008]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-35-6-2.
- (7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 **(before its repeal January 1, 2010) or IC 12-19-8 (after December 31, 2009)** and IC 31-40.
- (8) Probation user's fees under IC 31-40-2-1.
- (9) Child advocacy fund under IC 12-17-17.

SECTION 67. IC 31-34-24-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. The director or the state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and **(before January 1, 2010)** the county fiscal body any comments, including recommendations for modification of the plan, that the director or the state superintendent of public instruction considers appropriate.

SECTION 68. IC 31-34-24-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. Not later than sixty (60) days after receiving the plan, the county fiscal body **(before January 1, 2010) or the department (after December 31, 2009)** shall do one (1) of the following:

- (1) Approve the plan as submitted by the team.
- (2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body **(in the case of a plan approved before January 1, 2010)**.
- (3) Return the plan to the team with directions concerning:
  - (A) subjects for further study and reconsideration; and
  - (B) resubmission of a revised plan.

SECTION 69. IC 31-34-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. **(a) This section**

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1 **applies before January 1, 2010.**

2 ~~(a)~~ **(b)** Upon receiving the initial plan and each revised or updated  
3 plan, the county fiscal body shall consider the plan in developing the  
4 family and children's fund budget.

5 ~~(b)~~ **(c)** The county fiscal body may appropriate from the family and  
6 children's fund any amounts necessary to provide funding to implement  
7 the plan.

8 SECTION 70. IC 31-34-24-13.5 IS ADDED TO THE INDIANA  
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2008]: **Sec. 13.5. (a) This section applies after**  
11 **December 31, 2009.**

12 **(b) Upon receiving the initial plan and each revised or updated**  
13 **plan, the department shall consider the plan in developing the child**  
14 **services budget under IC 12-19-8-10.**

15 SECTION 71. IC 31-34-24-14 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. (a) The team shall  
17 meet at least one (1) time each year to do the following:

18 (1) Develop, review, or revise a strategy that identifies:

19 (A) the manner in which prevention and early intervention  
20 services will be provided or improved;

21 (B) how local collaboration will improve children's services;  
22 and

23 (C) how different funds can be used to serve children and  
24 families more effectively.

25 (2) Reorganize as needed and select its vice chairperson for the  
26 ensuing year.

27 (3) Review the implementation of the plan and prepare revisions,  
28 additions, or updates of the plan that the team considers necessary  
29 or appropriate to improve the quality and efficiency of early  
30 intervention child welfare services provided in accordance with  
31 the plan.

32 (4) Prepare and submit to the county fiscal body **(before January**  
33 **1, 2010) or the department (after December 31, 2009)** a report  
34 on the operations of the plan during the preceding year and a  
35 revised and updated plan for the ensuing year.

36 (b) The chairperson or vice chairperson of the team, ~~or~~ the county  
37 fiscal body **(before January 1, 2010), or the department (after**  
38 **December 31, 2009)** may convene any additional meetings of the team  
39 that are ~~in the chairperson's or vice chairperson's opinion~~, necessary or  
40 appropriate.

41 SECTION 72. IC 31-34-24-15 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. **(a) This subsection**

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**applies before January 1, 2010.** The team or the county fiscal body shall transmit copies of the plan, each annual report, and each revised plan to the following:

- (1) The director.
- (2) The state superintendent of public instruction.
- (3) The county office.
- (4) The juvenile court.
- (5) The superintendent of each public school corporation in the county.
- (6) The local step ahead council.
- (7) Any public or private agency that:
  - (A) provides services to families and children in the county that requests information about the plan; or
  - (B) the team has identified as a provider of services relevant to the plan.

**(b) This subsection applies after December 31, 2009. The team or the department shall transmit copies of the plan, each annual report, and each revised plan to the following:**

- (1) The state superintendent of public instruction.
- (2) The county office.
- (3) The juvenile court.
- (4) The superintendent of each public school corporation in the county.
- (5) The local step ahead council.
- (6) Any public or private agency that:
  - (A) provides services to families and children in the county and requests information about the plan; or
  - (B) the team has identified as a provider of services relevant to the plan.

SECTION 73. IC 31-34-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. The team, or the county fiscal body **(before January 1, 2010), or the department (after December 31, 2009)** shall publicize to residents of the county the existence and availability of the plan.

SECTION 74. IC 31-37-20-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. (a) This section applies after December 31, 2009.**

**(b) After the date of a dispositional decree, the department may file an objection to services report with the juvenile court that entered the decree.**

**(c) If the department wishes to file an objection to services**

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report, the department shall first:

- (1) not more than five (5) days after the date of the dispositional decree notify the juvenile court of the department's intent to file an objection to services report; and
- (2) not more than five (5) days after the date of the notification filed under subdivision (1) file the objection to services report with the juvenile court.

(d) If the department files an objection to services report, the department shall provide the juvenile court with a confidential written explanation indicating:

- (1) the reason the department recommended different services from the services ordered in the dispositional decree; and
- (2) the difference in cost between the services recommended in the objection to services report and the services ordered in the dispositional decree.

(e) If, after reviewing the objection to services report, the juvenile court seeks to consider modification of the dispositional decree, the juvenile court shall proceed under IC 31-37-22 (modification of dispositional decrees).

SECTION 75. IC 31-37-24-8, AS AMENDED BY P.L.145-2006, SECTION 355, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-35-6-2.
- (7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 (**before its repeal January 1, 2010**) or **IC 12-19-8 (after December 31, 2009)** and IC 31-40.
- (8) Probation user's fees under IC 31-40-2-1.
- (9) The child advocacy fund under IC 12-17-17.

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SECTION 76. IC 31-37-24-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. The director or the state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and **(before January 1, 2010)** the county fiscal body any comments, including recommendations for modification of the plan, that the director or the state superintendent of public instruction considers appropriate.

SECTION 77. IC 31-37-24-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. Not later than sixty (60) days after receiving the plan, the county fiscal body **(before January 1, 2010) or the department (after December 31, 2009)** shall do one (1) of the following:

- (1) Approve the plan as submitted by the team.
- (2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body **(in the case of a plan approved before January 1, 2010).**
- (3) Return the plan to the team with directions concerning:
  - (A) subjects for further study and reconsideration; and
  - (B) resubmission of a revised plan.

SECTION 78. IC 31-37-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. **(a) This section applies before January 1, 2010.**

~~(a)~~ **(b)** Upon receiving the initial plan and each revised or updated plan, the county fiscal body shall consider the plan in developing the family and children's fund budget.

~~(b)~~ **(c)** The county fiscal body may appropriate from the family and children's fund any amounts necessary to provide funding to implement the plan.

SECTION 79. IC 31-37-24-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 13.5. (a) This section applies after December 31, 2009.**

**(b) Upon receiving the initial plan and each revised or updated plan, the department shall consider the plan in developing the child services budget under IC 12-19-8-10.**

SECTION 80. IC 31-37-24-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. (a) The team shall meet at least one (1) time each year to do the following:

- (1) Develop, review, or revise a strategy that identifies:
  - (A) the manner in which prevention and early intervention services will be provided or improved;
  - (B) how local collaboration will improve children's services;

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(C) how different funds can be used to serve children and families more effectively.

(2) Reorganize as needed and select its vice chairperson for the ensuing year.

(3) Review the implementation of the plan and prepare revisions, additions, or updates of the plan that the team considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.

(4) Prepare and submit to the county fiscal body **(before January 1, 2010) or the department (after December 31, 2009)** a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

(b) The chairperson or vice chairperson of the team, ~~or~~ the county fiscal body **(before January 1, 2010), or the department (after December 31, 2009)** may convene any additional meetings of the team that are ~~in the chairperson's or vice chairperson's opinion~~, necessary or appropriate.

SECTION 81. IC 31-37-24-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. **(a) This subsection applies before January 1, 2010.** The team or the county fiscal body shall transmit copies of the initial plan, each annual report, and each revised plan to the following:

- (1) The director.
- (2) The state superintendent of public instruction.
- (3) The county office.
- (4) The juvenile court.
- (5) The superintendent of each public school corporation in the county.
- (6) The local step ahead council.
- (7) Any public or private agency that:
  - (A) provides services to families and children in the county that requests information about the plan; or
  - (B) the team has identified as a provider of services relevant to the plan.

**(b) This subsection applies after December 31, 2009. The team or the department shall transmit copies of the plan, each annual report, and each revised plan to the following:**

- (1) The state superintendent of public instruction.**
- (2) The county office.**
- (3) The juvenile court.**

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(4) The superintendent of each public school corporation in the county.

(5) The local step ahead council.

(6) Any public or private agency that:

(A) provides services to families and children in the county and requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 82. IC 31-37-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. The team, ~~or~~ the county fiscal body **(before January 1, 2010), or the department (after December 31, 2009)** shall publicize to residents of the county the existence and availability of the plan.

SECTION 83. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. This article applies to a financial burden sustained by a county **(before January 1, 2010) or the department of child services (after December 31, 2009)** as the result of costs paid ~~by the county~~ under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services **and the amount of any charge-back to a county under section 2 of this chapter.**

SECTION 84. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) The county shall pay from the county family and children's fund the cost of:

(1) any services:

(A) ordered by the juvenile court for any child or the child's parent, guardian, or custodian; **and**

(B) **provided before January 1, 2010;**

other than secure detention; and

(2) returning a child under IC 31-37-23 **before January 1, 2010.**

~~(b)~~ The county fiscal body shall provide sufficient money to meet the court's requirements **under this subsection.**

**(b) The department of child services shall pay the cost of:**

(1) any services:

(A) ordered by the juvenile court and set forth in a dispositional decree for any child or the child's parent, guardian, or custodian; **and**

(B) **provided after December 31, 2009;**

other than secure detention; and

(2) returning a child under IC 31-37-23 **after December 31, 2009.**

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The state shall provide sufficient money to meet the court's requirements under this subsection. If an objection to services report is filed under IC 31-34-21-0.5 or IC 31-37-20-0.5, the department of child services may charge back to the county the difference in cost between the services recommended in the objection to services report and the services ordered in the dispositional decree.

SECTION 85. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

- (1) a detention hearing;
- (2) a hearing that is held after the payment of costs by a county under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);
- (3) the dispositional hearing; or
- (4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for or reimburse the county **(for services provided before January 1, 2010) or the department (for services provided after December 31, 2009)** for the cost of services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 86. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. The parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the county **or the department, as appropriate,** for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

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SECTION 87. IC 31-40-1-5, AS AMENDED BY P.L.145-2006, SECTION 362, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 31-9-2-16.7), a foster family home (as defined in IC 31-9-2-46.9), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the county office **(before January 1, 2010) or the department (after December 31, 2009)** for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

(1) entered the existing support order; or

(2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order; of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

(1) Include in the order for removal or placement of the child an assignment to the county office **(before January 1, 2010) or the department (after December 31, 2009)** or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

(2) Order support paid to the county office **(before January 1, 2010) or the department (after December 31, 2009)** by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office **(before January 1, 2010) or the department (after December 31, 2009)** does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for the cost of (in whole or in part) and

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the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county office **(before January 1, 2010) or the department (after December 31, 2009)**.

(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 31-25-3, IC 31-25-4, and 42 U.S.C. 654. The county office shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor, a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the county office **(before January 1, 2010) or the**

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department (after December 31, 2009) for all or any portion of the expenses for services provided to or for the benefit of the child that are paid from the county family and children's fund (before January 1, 2010) or the state child welfare services fund (after December 31, 2009) during the placement of the child out of the home of the parent or guardian, in addition to amounts reimbursed through payments in accordance with a support order assigned or entered as provided in this section, subject to applicable federal law.

(h) A support order requiring payment to a county office shall be treated after December 31, 2009, as requiring payment to the department.

SECTION 88. IC 31-40-1-6, AS AMENDED BY P.L.145-2006, SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) The department, with (before January 1, 2010) the approval of the county fiscal body, may contract with any of the following, on terms and conditions with respect to compensation and payment or reimbursement of expenses as the department may determine, for the enforcement and collection of any parental reimbursement obligation established by order entered by the court under section 3 or 5(g) of this chapter:

(1) The prosecuting attorney of:

(A) the county that paid the cost of the services ordered by the court as provided in section 2 of this chapter, in the case of services provided before January 1, 2010; or

(B) the county where the child resides for the costs of services ordered by the court as provided in section 2 of this chapter, in the case of services provided after December 31, 2009.

(2) An attorney for the department on behalf of the county office that paid the cost of services ordered by the court, if the attorney is not an employee of the county office or the department.

(3) An attorney licensed to practice law in Indiana.

(b) A contract entered into under this section is subject to approval under IC 4-13-2-14.1.

(c) Any fee payable to a prosecuting attorney under a contract under subsection (a)(1) shall be deposited in the county general fund and credited to a separate account identified as the prosecuting attorney's child services collections account. The prosecuting attorney may expend funds credited to the prosecuting attorney's child services collections account, without appropriation, only for the purpose of supporting and enhancing the functions of the prosecuting attorney in enforcement and collection of parental obligations to reimburse the

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~~county family and children's fund; ordered by the court under section 3 or 5(g) of this chapter.~~

SECTION 89. IC 31-40-1-7, AS AMENDED BY P.L.145-2006, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Amounts received as payment of support or reimbursement of the cost of services paid as provided in this chapter shall be distributed in the following manner:

(1) If any part of the cost of services was paid from federal funds under Title IV Part E of the Social Security Act (42 U.S.C. 671 et seq.), the amounts received shall first be applied as provided in 42 U.S.C. 657 and 45 CFR 302.52.

(2) All amounts remaining after the distributions required by subdivision (1) shall be deposited in the family and children's fund (established by IC 12-19-7-3) of the county that paid the cost of the services **(for services provided before January 1, 2010) or the state child welfare services fund (for services provided after December 31, 2009).**

(b) Any money deposited in a county family and children's fund under this section **(for services provided before January 1, 2010)** shall be reported to the department, in the form and manner prescribed by the department and shall be applied to the child services budget compiled and adopted by the county director for the next state fiscal year, in accordance with IC 12-19-7-6.

SECTION 90. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the county **or (after December 31, 2009) the state;** or

(2) fails to pay a fee authorized by this article;

the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due.

SECTION 91. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]: IC 12-13-8; IC 12-16-14-1; IC 12-16-14-2; IC 12-16-14-3; IC 12-16-14-4; IC 12-16-14-5; IC 12-19-5; IC 12-19-7; IC 12-19-7.5; IC 16-35-3.

SECTION 92. [EFFECTIVE JULY 1, 2008] **(a) After December 31, 2009, a reference in any law, rule, or other document to a provision of IC 12-13-8, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, or IC 16-35-3, all repealed by this act, shall be treated as a reference to the successor provision in IC 12-19-8, as added by this act.**

**(b) The legislative services agency shall prepare legislation for introduction in the 2009 session of the general assembly to bring**

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the statutes into conformity with:

- (1) IC 12-19-8, as added by this act;
- (2) IC 31-40-1-1 and IC 31-40-1-2, both as amended by this act; and
- (3) the repeal of IC 12-13-8, sections of IC 12-16-14, IC 12-19-5, IC 12-19-7, IC 12-19-7.5, and IC 16-35-3 by this act.

(c) For property taxes first due and payable after 2009, the department of local government finance shall reduce the maximum permissible property tax levy limit determined for each county under IC 6-1.1-18.5-3 as necessary to eliminate the effects of the property tax levies for the following funds:

- (1) County medical assistance to wards fund.
- (2) Children with special health care needs county fund.

SECTION 93. [EFFECTIVE JULY 1, 2008] (a) Subject to this SECTION, on December 31, 2009, each county shall transfer all money contained in the following county funds, after money in the county family and children's fund is used under subsection (b) to reduce obligations of the county and after any transfer of money from the county family and children's fund under subsection (c) to the state child welfare services fund established by IC 12-19-8-7, as added by this act:

- (1) County family and children's fund.
- (2) County medical assistance to wards fund.
- (3) County children's psychiatric residential treatment services fund.
- (4) County children with special health care needs county fund.

(b) Each county shall use money deposited in the county family and children's fund from:

- (1) property taxes first due and payable before January 1, 2010;
- (2) the proceeds of bonds issued or loans taken out under IC 12-19-5 or IC 12-19-7.5, both repealed by this act, or a predecessor law to pay an obligation related to child services provided before January 1, 2010;
- (3) the:
  - (A) financial institutions tax (IC 6-5.5);
  - (B) motor vehicle excise tax (IC 6-6-5);
  - (C) commercial vehicle excise tax (IC 6-6-5.5);
  - (D) boat excise tax (IC 6-6-11);
  - (E) aircraft license excise tax (IC 6-6-6.5); and

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(F) other excise taxes;  
that are distributed to the county as a result of the county's  
share of property taxes first due and payable before January  
1, 2010, for the fund; and

(4) grants-in-aid, fees collected from a parent, guardian, or  
custodian of a child, and other money attributable to child  
services provided before January 1, 2010;

to reduce the obligation of the county to pay for expenditures for  
child services and any other obligations that were incurred and are  
payable before January 1, 2010.

(c) After a county uses money from the county family and  
children's fund as directed in subsection (b), the county shall  
transfer money that remains in the fund to the county's debt  
service fund or another sinking fund to the extent that the money  
is needed to repay in 2010 or a later year the principal and interest  
on bonds issued under IC 12-19-7, repealed by this act. To the  
extent that the money transferred under this subsection is  
insufficient to repay the principal and interest, the county shall add  
to the tax duplicate of the county an annual levy sufficient to pay  
the principal and interest when due. The county may issue bonds  
under IC 36-2-6-18 to pay or refund the obligation.

(d) Each county shall use money deposited in the children's  
psychiatric residential treatment services fund from:

(1) property taxes first due and payable before January 1,  
2010, for the fund;

(2) the proceeds of bonds issued or loans taken out under  
IC 12-19-5, IC 12-19-7, or IC 12-19-7.5, all repealed by this  
act, or a predecessor law to pay an obligation related to  
children's psychiatric residential treatment services provided  
before January 1, 2010;

(3) the:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise tax (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11);

(E) aircraft license excise tax (IC 6-6-6.5); and

(F) other excise taxes;

that are distributed to the county as a result of the county's  
share of property taxes first due and payable before January  
1, 2010, for the fund; and

(4) grants-in-aid, fees collected from a parent, guardian, or  
custodian of a child, and other money attributable to

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1 children's psychiatric residential treatment services provided  
 2 before January 1, 2010;  
 3 to reduce the obligation of the county to pay for expenditures for  
 4 children's psychiatric residential treatment services and any other  
 5 obligations that were incurred and are payable before January 1,  
 6 2010.

7 (e) After a county uses money from the county children's  
 8 psychiatric residential treatment services fund as directed in  
 9 subsection (d), the county shall transfer money that remains in the  
 10 fund to the county's debt service fund or another sinking fund to  
 11 the extent that the money is needed to repay in 2010 or a later year  
 12 the principal and interest on bonds issued under IC 12-19-7.5-30,  
 13 repealed by this act. To the extent that the money transferred  
 14 under this subsection is insufficient to repay the principal and  
 15 interest, the county shall add to the tax duplicate of the county an  
 16 annual levy sufficient to pay the principal and interest when due.  
 17 The county may issue bonds under IC 36-2-6-18 to pay or refund  
 18 the obligation.

19 SECTION 94. [EFFECTIVE JULY 1, 2008] Any contract for child  
 20 services (as defined in 12-19-8-2) that is entered into before  
 21 January 1, 2010, by a county in compliance with the law governing  
 22 the county and with the approval of the department of child  
 23 services shall be assumed and funded after December 31, 2009, by  
 24 the department of child services and shall be treated after  
 25 December 31, 2009, as a contract of the department of child  
 26 services.

27 SECTION 95. [EFFECTIVE JULY 1, 2008] The department of  
 28 child services, the state department of health, and the division of  
 29 family resources may each adopt temporary rules in the manner  
 30 provided for the adoption of emergency rules under IC 4-22-2-37.1  
 31 to implement the takeover by the state of the responsibility for  
 32 funding and paying for child services (as defined in IC 12-19-8-2).  
 33 A temporary rule adopted under this SECTION takes effect in the  
 34 same manner as an emergency rule adopted under IC 4-22-2-37.1.  
 35 Notwithstanding IC 4-22-2-37.1, a temporary rule adopted under  
 36 this SECTION expires on the earliest of the following:

- 37 (1) The date specified in the temporary rule.
- 38 (2) The date that another temporary rule adopted under this
- 39 section amends, repeals, or supersedes the previously adopted
- 40 temporary rule.
- 41 (3) The date that a permanent rule adopted under IC 4-22-2
- 42 amends, repeals, or supersedes the previously adopted

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1           temporary rule.

2           (4) January 1, 2012.

3           SECTION 96. [EFFECTIVE JULY 1, 2008] (a) Subject to this  
4           SECTION, on December 31, 2009, each county shall transfer any  
5           money remaining in the county hospital care for the indigent fund  
6           to the state hospital care for the indigent fund.

7           (b) This SECTION expires July 1, 2010.

8           SECTION 97. [EFFECTIVE JULY 1, 2008] (a) For property taxes  
9           first due and payable after 2009, the department of local  
10          government finance shall make any budget and property tax levy  
11          adjustments as necessary to account for the 2010 repeal of the  
12          county hospital care for the indigent property tax levy included in  
13          this act.

14          (b) This SECTION expires July 1, 2011.

15          SECTION 98. [EFFECTIVE JULY 1, 2008] (a) The legislative  
16          services agency shall prepare legislation for introduction in the  
17          2009 session as necessary to account for the 2010 repeal by this act  
18          of the county hospital care for the indigent property tax levy.

19          (b) This SECTION expires July 1, 2011.

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